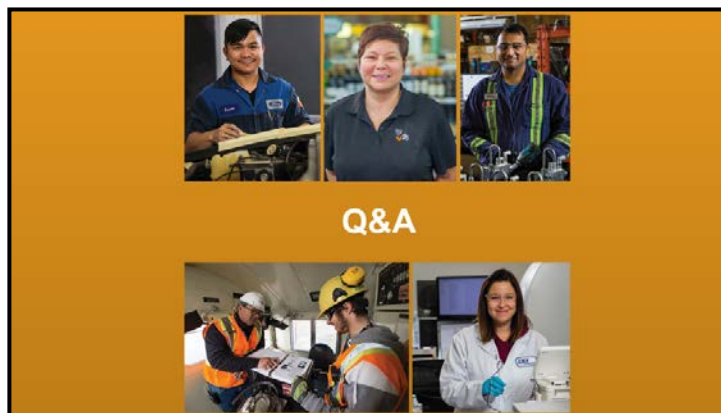


Saskatchewan Workers' Compensation Board

Annual General Meeting May 2 & 3, 2018

Questions and Answers



Saskatoon

Barb Howell (Online)

Barb Howell of the Canadian Corps of Commissionaires: “Just wondering if you collect data on the length of time for similar injuries? Have you noticed any trends of recovery rehab taking longer in recent years?”

Peter Federko

Well, I know it's one in a row, but when Mick showed you duration slide we are happy to see that reduction in overall durations. I am not sure that we would say recovery is taking longer, but I can tell you that the demographics of our claims are changing. We know that back injuries, for example, make up a greater proportion of our claims today than they did five years ago, partially because of prevention efforts that have reduced the other kinds of injuries that we might be seeing and so backs now emerge as kind of one of the predominant types of injuries that we get, and those always tend to be a little bit more difficult. As we look at what our claims look like for those that are in that 13 months before they recover period, a lot of them are musculoskeletal. And so, we do know that that presents a bit of a challenge in terms of recovery. Of course, psychological injury is now at the forefront. We have seen a 68% increase in accepted psychological injuries between 2016 and 2017. Those during 2017 presented some challenges in terms of getting mental health assessments, but we believe that we have that in order as well. Mick, I don't know if you have anything to add with respect to our recoveries protracting at this particular point in time?

Mick Williams

I wouldn't say that I have looked at a particular slice the way that question was asked, but I think that what my hunch would be is that it's more likely that we have got similar injuries having variable duration then the trend of particular types of injuries increasing in duration.

Dan Belhumeur

I'm Dan Bellmore of VCM Construction, I am safety for VCM. I'm 99.9% satisfied with dealing with WCB through my work. The 1.1% is why I am here, is we had a worker that two years ago got injured. He was taken to the hospital, the doctor there said, "Don't stop work. Go on light duty." Fine. We put him on light duties, no problem. He went that night to his doctor, his doctor said the same thing, "Go on light duty." And we had him on light duty. Two days later he went to a third doctor and got three weeks off. The doctor asked him, "How much time do you want off?" He came to our office give me the note, I fill out the E1, he talked to our senior management and said he would rather be on comp than EI. So, when I talked to the caseworker, the caseworker said, "No, I'm accepting his claim, I accepted it already." And so, I asked him, "Who do I appeal to?" and he says, "No, don't bother. I already accepted it." So, what we need to do here is have somewhere where the employer can make the appeal and the case goes in front of another set of eyes.

Peter Federko

Okay, so first of all, I am not familiar with the claim and even if I was I wouldn't comment on that individual claim. But I am just going to tell you about process. I don't know who you were talking to, but you received incorrect information. So, first of all, your concerns about the individual having gone to three different doctors until they finally received a note that would allow them to stay at home and not participate in light duties should have really been challenged. So, there is clearly a process breakdown with respect to that particular claim. Once a decision is made – now I'm not saying the claim should or shouldn't have been accepted, but it's possible that we would accept that claim in order to cover the medical costs associated even if the worker were fully accommodated. So, we are first payer on any workers' comp injury, we cover all the medical costs associated with that injury, so we would still accept that claim. Whether the wage loss should have been accepted or not is I think another question here. But with respect to any decisions that we make, if either the worker or the employer does not agree with either a decision made by the claims entitlement person to accept or deny the claim or the case manager with respect to the length on the claim, both parties have the right to appeal. You should first go, as you did, to the case manager, but if you don't get the satisfaction out of what

you heard there, going to their team leader or their director or manager should be the next step. If you are still not satisfied there, we have a formal level of appeal or an internal appeal department that are independent from any of the decisions or case management work that gets done and you could first appeal to them by simply writing and saying, "I want to appeal this particular decision." There is a form on our website you can fill out in order to file that appeal. If you are not happy with their decision, you can then appeal that directly to our Board who is the final level of appeal. So effectively there are three levels of appeal available to any employer or any worker who are not in agreement with any decisions that were taken on a particular claim. So, I am sorry you did not get the accurate information. There is no time limit on when you can appeal that decision, whether that claim is one month or ten years old, you can appeal that decision today.

Dan Belhumeur

Thank you.

Julie Sanderson

Good morning. Julie Sanderson, Canadian Union of Postal Workers. Thank you for having me. So, I have a couple of questions, but I am going to preface that with a comment and my questions will be for Ray who here is, is here representing Minister Don Morgan, as well for Garry, the Board Member for the Workers' Representatives on the Board for WCB. So, the Saskatchewan Federation called for the adoption of Bill 605 -- It was a private members bill -- which calls for paid leave for domestic violence. Domestic violence follows workers of course into the workplace. If passed, the bill would allow for survivors of domestic violence to take paid and unpaid leaves from work. Leaves can be taken to seek medical attention for the victims or children, to obtain services from Victim Services, counselling, or to relocate. This bill also requires accommodation by employers to protect workers if an employer becomes aware or ought to reasonably be aware that domestic violence would likely expose a worker to physical injury that may occur in the workplace. Earlier this year we saw the Provincial Government support survivors' rights to break rental agreements so victims could find safety. Saskatchewan has the highest rates of domestic violence in intimate partners amongst all provinces in Canada. Financial stability and the support of work environment is vital for survivors of domestic violence.

So, my question, Ray, if you can comment on the Provincial Government's intention with respect to this bill, and Garry, if you could comment how this change would impact employers and workers in Saskatchewan?

Ray Anthony

Well, first, I'm not an elected official. I can't comment on a law that hasn't been passed yet, so you will have to go to Cabinet and to the Minister to get an answer to that. Sorry.

Garry Hamblin

Well, thank you for that question. I don't know that I can give you an answer, to be honest, in terms of how that would affect the operations of the Workers' Compensation Board. I think it would have broad implications in terms of rates that employers might pay and coverages that might be offered. I don't think I can give you an answer off the top of my head, but, you know how to get a hold of me. If you want to discuss this further I would certainly be welcome to do that. It's an important to be sure.

Julie Sanderson

Okay, thank you.

Peter Federko

I know you didn't ask me, but I've got the microphone. So just for clarity, if – and I am not familiar with the bill at all, but if we are talking about absences from work as a result of domestic violence, the Workers' Compensation Board would only compensate for absences from work as a result of a workplace incident. So, unless the violence occurred in the workplace between husband and wife, I am not sure that we would have any responsibility with respect to covering costs related to absences because of domestic violence. I think employers should be interested about that, but it wouldn't necessarily relate to Workers' Compensation legislation, probably more The Employment Act than WCB. Other questions? Do you have another one, Julie?

Online question:

Does WCB have a process to review medical information submitted on a claim, for example, the length of time a health care provider identifies the employee's need to be off work when the employer has alternate and/or light duties to support the worker while they recover?

Peter Federko

Yes, we do, but it may not be exactly what the individual is thinking about. There are several things. First of all, we should not just be carte blanche accepting a doctor's note, if you will, that says this individual has to be off work. And if the employer actually has light or modified duties available that are within the restrictions of the individual, under our legislation the individual

actually has an obligation to mitigate their loss. And if the individual for reasons other than medical restrictions refuses to participate in that, we in fact do suspend worker benefits until they reengage in either the treatment or rehabilitation, modified light duty plans. We actually do have medical consultants on staff as well and we often seek their medical opinions with respect to what kind of reports we are getting from the providing caregiver and often times actually are criticized for not necessarily following what that external care provider is providing. When things do not progress as we would expect, we also do have the opportunity to refer to an external multidisciplinary caregiver group which includes physicians and chiro and occupational therapy and cases where psychosocial issues are present, a psychologist or psychologist as well. So, we can always get an opinion from them as well in terms of what is best in that individual's capabilities. Mick, I don't know if you have anything you could, you want to add to that?

Mick Williams

Yeah, this is a question we get a lot, and so there is – as Peter said, there is a process to review for reasonableness the information that we get, and in some cases our folks will go back and seek more. At that point it's tough for our staff to do it sometimes. We do have some resources. As Peter said, we have medical officers. But I think there are a number of fronts that I think we need to come at this from and one of them – each of these claims – I believe this is part of what we are hearing from employers in our surveys, is that they want some help problem solving in situations where it feels like perhaps we have got medical that feels like it's preventing a return to work from happening, "What can we do next? What are our options here?" I think that's part of the solution to this. Another countermeasure for us on this is probably the forms that we are providing to the care providers aren't asking the right questions – I know that we see lots of employer forms coming in that are better at asking these questions than ours, and I think we can learn from that and integrate that into our practice. I think this is a situation that we will have with us, unfortunately, for some time, because just like any other profession, we have health care provider turnover all time, the health care provider is typically responsible to come at that from the interests of their patient and sometimes those interests seem to be somewhat opposed to perhaps the interests of the employer and the return to work that we are trying to facilitate. So, I think it is, there is lots of opportunity here and I think we need to do lots of different things about it, but it is, it's something we hear from folks time and again and we do want to get better at it. There are some things we need to do.

Julie Sanderson

Thank you. My question is, the Canadian Centre for Policy Alternatives did a research study that they released some four or five years ago and in that study they indicated that they believed that

in some sectors by the year 2050 that unemployment rates will reach almost 50%, depending on the sectors. So, with further automation reducing employment rates in certain sectors, like autonomous vehicles for example, these will seriously impact employees. And I am just curious, what are the long-term impacts of the viability of the Workers' Compensation Board and its ability to say pay out claims for sectors that are not impacted, and I can't imagine what sectors wouldn't be impacted by automation? But is this something that you are talking about at a Board level, is this something that you are addressing right now? Because I think it's a concern that we are seeing in many sectors.

Peter Federko

This is an issue today, already today, and it's not necessarily because there's no longer employment in certain industry sectors, however, the way in which those services are provided today is significantly different than it has been provided in the last five years, let's say. So, the issue, for example, of what's referred to as the sharing economy which has changed the employee-employer relationship, might have even broken the employer-employee relationships, and greyed it for sure, and so things like Uber where there isn't really a clear employer but we do have these people who, none the less, are engaged in providing some service, and so with the – I'm not, does Saskatoon have Uber? The City of Regina just announced very recently that they are going to, I think they said they are going to license them, Uber will be in Regina sometime soon, and so we are already having conversations. And this has actually been a topic of discussion – I am involved in several international associations – this has been a topic of discussion for the last five years at the international level in terms of how are these people going to continue to be insured as they move forward and does it redefine what an employer-employee relationship looks like?

Undoubtedly many of you heard recently about the tragedy relating to a cabdriver in Regina and there is serious misinformation there. We do cover cab companies; they are a mandatory industry. But, again, depending on the relationship, the employment relationship between the driver and the cab company, it's either mandatory or voluntary coverage. I can see comp as the world shifts for more of a sharing economy where the services will continue to be provided maybe by fewer people or by a totally different employee-employer relationship of us now, perhaps regulations, legislation changing requiring some of those relationships to be insured by a workers' comp type of company or us being far more aggressive in terms of marketing voluntary coverage for those particular individuals.

And it's not just the loss of wage issue that's there, but of course the liability issue associated

with that is huge. And it's almost, I don't know, reminiscent to me of what Meredith would have been dealing with in 1913, where the relationship is not clear between employer and employee, you no longer have insurance coverage, and now they are going to become the responsibility of the province, and how that might affect other social safety nets. So, I think it's going to be incumbent upon us as leaders to work with those other organizations to understand how these people will not fall through the cracks and that they don't suddenly become – I'm exaggerating, but wards of the state and now the responsibility of taxpayers in general to pay for whatever is required in terms of medical or ongoing.

With respect to the shrinking of the economy, I guess we are just going to collect fewer premiums. But, you know, if we are actually successful in Mission Zero we are all going to be out of work anyways. I spoke at a conference here a while ago and the question was, "How does this affect like the Occupational Health and Safety Regulations?" I have no clue because there is no clear employer anymore. I don't know like from even an OHS perspective, Ray, I am assuming this has got the sharing, emergence of the sharing economy is going to impact what has to be done from a regulatory perspective because these relationships are not totally blurred.

Julie Sanderson

I was also concerned about like the impact of, the Workers' Compensation is sort of like this shared insurer, it represents the employer and the worker and premiums are being paid by the employer, and so the Workers' Compensation relies on that income in order to pay out claims. If there is less workers, less employers paying those premiums, how does the Workers' compensation really function and are we able to adapt to address those growing concerns?

Peter Federko

So, the requirement of the legislation today – so forget about future changes or whatever – but the requirement of the legislation today is that we at all times have sufficient funds on hand to pay all future claims costs that are in the system today. So, the benefit liability that Ann referred to in your financial report is the money needed on December 31st – 1.2 billion dollars, we have set aside to cover all future costs of all claims that existed on December 31st. So, in theory if we went broke, if Workers' Comp ceased to exist on December 31, 2017, as long as that 1.2 billion can earn 5% return, there will be enough money there to pay all future costs of all claims in the system without collecting one additional premium dollar. So, if the Workers' Comp market shrinks it won't necessarily mean that 1.2 billion become smaller, because we are still going to need that to fund future costs of existing claims, but the future requirement for new claims will

become smaller. So over time as we pay out the 1.2 billion that number will get smaller and smaller and so the footprint will just be smaller. Because the way the systems are set up – as long as we remain fully funded – and that's why that's so important – there is never a risk that if something goes bang in night we will still have enough money set aside in order to pay all future costs without burdening any other employers. So, there is kind of a safeguard built in already.

Kevin Hitchings

Kevin Hitchings from Canadian Union of Postal Workers, as well. I was looking at the number of loss time claims accepted and the number of appeals registered and in 2013 there was about 10% of them were appeals and in 2017 it was 14.5%. It seems to be going up. I was wondering why there is such a higher need for appeals and what's the total number of claims that are denied?

Peter Federko

So total claims denied at the initial level or at the appeal level?

Kevin Hitchings

At the initial level.

Peter Federko

At the initial level? Those denied strictly because we determined them to be non-work related are running around 16%. Lower than that? Under 10% of claims on initial decision are actually denied. The reason for the increase in appeals is a little bit of a mystery, but I can tell you one thing that has changed that has added to our volume of appeals. In 2013 employer representatives emerged and started working with very, very large employers on a contingency basis. And what they were doing is they were coming to us and appealing for cost relief. So, what they were alleging was that claims stuck around for longer than what they should have for reasons that were beyond the employers' control, so a delay in getting medical treatment, for example, or we dropped the ball in terms of our process didn't work that time or whatever. So, we have cost relief provisions for employers for that. We received a huge influx of appeals from these employer representatives. So, the proportion of appeals, it's still like 85-90% of appeals come from workers and the other comes from employers, but we saw a huge increase at the appeal level of the number of appeals coming in from employers and that would have in part contributed to the increase in volume.

Kevin Hitchings

Right, thanks.

Peter Federko

Yeah, you're welcome. Anything else?

Ken Ricketts

My question is quite simple. Ken Ricketts, the Safety Association of Saskatchewan Manufacturers. 423,000 fulltime equivalent workers, 88% of employers didn't have a claim, the 88% of the employers amounts to how many of the fulltime equivalent workers? Any idea?

Peter Federko

Yeah, but I forget. I will get it for you. We had a similar question and we actually know the stat, but it's far less. I will get you the number exactly.

Ken Ricketts

The other question, if you don't mind. Payroll audits, have there been any direction towards rate code audits, i.e., the company is in the wrong rate code?

Peter Federko

We would call those classification reviews, and yes, we have within Employer Services we have an initiative in the next I am going to say year – Phil will shoot me – but over a very, very short period of time here, Ken, we do have it in our plan within Employer Services to have a broader classification review of all of the industry rate codes.

Ken Ricketts

Okay. Thank you.

Regina

Brian Mellor

Brian Mellor, injured worker. I have a question on your fully funded status. Is there any individual or any group of injured workers that are not fully funded from 1979 on?

Peter Federko

There were two years, Brian, if my memory serves me correctly, where we were very close. We don't look at individual injured worker groups, but there were two years where we were, one year in particular actually over my 24 years we were just under 100%, and prior to that I understand we were also under 100%. But other than those two years, this organization has been in the I think, envious position of not being in that position.

Brian Mellor

That hasn't impacted any workers, though, they haven't been denied benefits or anything because of it, right?

Peter Federko

Absolutely not. I am very proud to say this, we are one of just a few jurisdictions in Canada who has not reacted to tough markets or changing demographics of claims by putting in things like waiting periods, we have seen other jurisdictions actually reduce benefit levels. We have not done that here in Saskatchewan.

Brian Mellor

There seems to be a change of heart in Workers' Comp, here, and I just wondered where it was coming from and what was the purpose of it. The intent of Section 69 – and I don't know if it has changed now to a new section, but it was with CPI indexing, so it was that workers could keep pace with inflation, and that's a benefit. The Board previously has said that the Board believes it was never the intent of Section 69 in the CPI index to reduce workers of a payment whose wage base, original index, is at the ceiling through the application of CPI. Now apparently that's changed. I just wondered why and when that changed.

Peter Federko

Anybody know the answer to that? Was that in the 2014 amendments, Brian?

Brian Mellor

I can't find out where it's changed other than I have been told that that's what they are doing now, they are using CPI to reduce benefits.

Peter Federko

Can we look into that and get back to Brian on it? Sorry, Brian, I don't know the answer, I am not aware that there was a change, but we will get Mick to look into it and get back to you.

Brian Mellor

Okay. Thank you.

Vicki Radons

Good morning. I'm Vicki Radons with Partner Technologies and I would like to thank you for your presentation and for your colleagues' presentation this morning. As an employer representative I always struggle with the challenge of co-ordinating return-to-work programs and we definitely do have an active return-to-work program at our place of employment. One of the struggles that I have, and I'm sure I'm not alone, is in trying to co-ordinate particularly the shorter duration claims. And it seems to me that there is an opportunity, perhaps, for a dialogue to be opened between concerned employers with perhaps the WCB and maybe the medical representatives as well to see what we can do to really improve the knowledge of return-to-work programs and get some of those short duration claims eliminated. I have many examples of situations where an employee has been injured, has gone to their physician or health care provider and the health care provider has said, "Well, take the rest of the week off and go back on Monday." And we actually do have meaningful work that's available to them that could get them back to work the same day and I am sure that that might help. If we could maybe perhaps focus that, some efforts on that, that might help the overall duration of claims and also reduce the loss claims costs.

Peter Federko

Yeah, thank you for that, Vicki. This is not a new issue and certainly PTI are not the only ones who have ever raised this with us. The health care provider community is really a critical partner in our ability to restore people's abilities and there are certain pockets within our province where the providers don't really clearly, understand the role, the importance, of participating in modified or light duties in terms of facilitating the physical recovery.

We have recently been engaging with our own, you know, internal departments in terms of how we can better reach out to them and communicate directly with that provider community so that they can better understand what, how important their participation in this is and how sending someone home. My own physician suggested that I stay home. I knew that was no good for me and I told him, "Tell me what I can't do and so I don't make this worse, but I'm not staying home." If we had a discussion about this yesterday. I think the strongest advocate for this are the injured workers themselves. So, a worker going to the doctor and the doctor says, you know, "How much time off do you want?" -- we hear that story a fair bit -- if the worker pushes back and says, "I don't -- I want minimal time off." And I would say the first eight days or so I

really wasn't in any shape to do much of anything, and so I think we have to be conscious of that, but if the worker is just feeling the need and desire to go and can say, "My employer has, modified, accommodated duties for me," that's the strongest advocacy group we can create. Mick, if you have anything to add to that, but making workers aware that programs are available and modified duties are available and to go to their physicians, or whoever the provider is, and say, "My employer has these opportunities. I want to stay connected. Sitting at home is no good for me," would be one of the things that we would look at in addition to trying to better educate the medical community, Mick?

Mick Williams

Thank you Vicki, this is a problem we've had for a long time and we may reach out to you on this, Vicki, because we have a – one of our adjudication teams is looking at this right now. We know that there is a number of different angles that we need to cover on this. One is that we think that we ask the physicians to provide us with doesn't steer them towards return to work as much as it could and lots of employers have created better product than what we have got, so we could improve there. Another, I think it might be a good time for us to actually engage with the employer community to see what other kinds of dimensions there are to this problem. I think given the stickiness of this it's going to take us a while and there are a bunch of different things to cover, but maybe where we start is just by starting with something.

Ryan Leech

My name is Ryan Leech. I am an owner-operator of a business here in Regina, about 80 employees. I also represent the construction sector through the SCA. One of the things that I like to say, since I think I have some time to talk because nobody else got up, so I am going to assume nobody else wants to talk. The construction sector is about 59,000 employees, the second-largest sector in Saskatchewan, and if you compare that with the first-largest sector which is retail and you think about the volume of revenue and earnings it's substantial, the construction sector is very substantial. I echo the comments, physician-stakeholder is critical and needs to improve.

First steps, we make the – they should be big steps, they should be important steps, because it's WCB, the employee, the employer, and the physician or the health care, so it's critical, I think this is very critical. I didn't hear legalization of marijuana this morning. I think that's important. Fair enough. I would like to say I have been dealing with Employer Services under Phil Germain, and I want to say that the people that I have been dealing with have been phenomenal, so actually a pat on the back to Employer Services – very proud of the people and

the work that they are doing and the response that I am getting. So difficult for Phil, he is not here. Please pass that on.

Peter Federko

Absolutely. Sherri and Jenn are back there too, so I'm sure they'll be happy to hear it.

Ryan Leech

Yeah, Sherri and I spoke on the phone yesterday. So very pleased.

Peter Federko

Thank you, Ryan.

Ryan Leech

You know, it's important, it affects a business, claims affect a business. Employee productivity is important. Brian and I had a good conversation here at our table. It is important that employees get back to work because employers make money when their employees are working. It's not just about the employee, it's also about the employer. And the fact that the claims durations are climbing even though shorter claims are being handled better, it's still important. So just some of the notes I took. Really good presentation this morning. I'm glad I came.

Peter Federko

Okay. Thank you, Ryan. The cost of an injury is far greater than the premium that employers pay. The research that we have looked at and had done suggests that the total cost of an injury – so if you look at lost productivity, perhaps, property damage, rehiring, retraining, overtime costs or whatever is associated with having an employee absent from the workplace, are somewhere in the neighbourhood of between 5 and 50 times the actual compensation costs. So, the costs to the employer -- you are absolutely right – the cost of the employer is not just the compensation costs, it's the loss of productivity of not having that trained, experienced worker back in the workplace. So, in 100% full agreement with you and I am really hoping that our focus on restored abilities and one of the challenges here that are preventing us from getting that person back to productive employment is going to, I think kind of catapult us into becoming a little bit more effective. So, thanks very much for coming and thanks for those comments and questions.

Gunnar Passmore

Gunnar Passmore with Saskatchewan Building Trades, a long-time past member of the

Saskatchewan Construction Safety Association. I want to ask a question. You had mentioned that you are going to bring on I believe 5 new Occupational Health and Safety Officers. Is that correct, Ray? And they are going to be directed at the residential construction industry, is the other understanding I had?

Ray Anthony

Yes. There will be two in the North and three in the South.

Gunnar Passmore

But their focus will be on the residential construction?

Ray Anthony

They will be in the Safety Services unit.

Gunnar Passmore

Oh, okay. That was what I heard, is that they are going to focus on the residential, when I talked to Mr. Mike Carr, and that was a bit of a concern to me because I know our residential construction is going down and I expect it will continue to go down. So, it will be for all areas, is what you are saying?

Ray Anthony

Yeah.

Gunnar Passmore

Good. That's what I wanted to hear. I applaud you for getting the five new officers. Thank you,

Peter Federko

Other questions, comments? Seeing, hearing none. Again, I truly want to express our gratitude for you coming and showing such an interest quite frankly in your system. To Ryan's point, this is an integrated partnership system that requires the engagement of the worker, the employer, and the medical community with us kind of as quarterback and facilitating all of that, and so you showing interest in the system and providing the voice of the customer so that we better understand the challenges that our system might be presenting to you is critically important for us understanding how we can better improve that service to you. I truly want to thank you all for taking time out of I am sure your very, very busy day to be with us here for a couple of hours

this morning. I wish you all very, very well. Please be safe out there and just have an absolute wonderful day and wonderful summer. Thank you.