

1-1-2010

Service Delivery Core Review: A Reappraisal

H. Allan Hunt

W.E. Upjohn Institute for Employment Research, hunt@upjohn.org

Follow this and additional works at: <https://research.upjohn.org/reports>

Citation

Hunt, H. Allan. 2010. "Service Delivery Core Review: A Reappraisal." Prepared for WorkSafeBC, British Columbia, Canada.

<https://research.upjohn.org/reports/124>

This title is brought to you by the Upjohn Institute. For more information, please contact repository@upjohn.org.

Service Delivery Core Review: A Reappraisal

H. Allan Hunt

W.E. Upjohn Institute for Employment Research
300 S. Westnedge Avenue
Kalamazoo, MI 49007

May 10, 2010

Table of Contents

BACKGROUND	1
SYSTEM PERFORMANCE	2
Number of Injuries	4
Benefit Adequacy.....	5
Return to Work	6
Employer Costs.....	7
Timeliness of Claims Processing.....	7
Quality of Decisions	9
Stakeholder Satisfaction.....	11
Funding Level.....	14
Prevention	14
Assessments	16
Appeals	17
CMS and KPIs in 2009	17
WorkSafeBC RESPONSE TO SERVICE DELIVERY RECOMMENDATIONS	19
Recommendation #1 – Dedication to Service Quality.....	19
Recommendation #2 – Remedial Training	19
Recommendation #3 – Employment of Persons with Disabilities.....	20
Recommendation #4 – Quality Assurance Program.....	21
Recommendation #5 – Public Outcome Measures	21
Recommendation #6 – Disability Management.....	21
Recommendation #7 – The Advisory Services.....	22
Recommendation #8 – Self-Insurance and Self-Administration	22
SUMMARY ASSESSMENT	22
References.....	24
Appendix I KPI Results 2002–2008	A-1
Appendix II Why Not the Best? Service Delivery Core Review Report Executive Summary ..	A-2
Appendix III Core Services Review of Workers’ Compensation Board Terms of Reference ...	A-9

List of Figures

Figure 1 Injury Rate	4
Figure 2 Return-to-Work Outcomes	6
Figure 3 Aggregate Premium Rate	7
Figure 4 Timeliness of Initial Short-Term Disability Payments (days).....	8
Figure 5 Overturned Decisions at Review Division	9
Figure 6 Overturned Decisions at WCAT	9
Figure 7 Injured Workers’ Rating of Overall Experience	11
Figure 8 Employers’ Ratings of Overall Experience.....	12
Figure 9 Public Confidence Ratings	13

List of Tables

Table 1 WorkSafeBC Funding Levels	14
---	----

Service Delivery Core Review: A Reappraisal

BACKGROUND

The Royal Commission on Workers' Compensation in British Columbia completed its work in January 1999 after 26 months of testimony and deliberation. According to the Preface of the report, "The commission concluded that service delivery is the most urgently in need of reform..."¹ Further, the failures of the workers' compensation system "...relate to severe shortcomings in leadership, lack of defined goals, poor performance evaluation and deficient accountability structures and processes."² In addition, the news release accompanying the Royal Commission's report quoted Judge Gil as saying, "The WCB needs regular check-ups and preventive maintenance if it is going to remain in good shape."³

As follow-on to the Royal Commission, the Provincial Government in 2001 established two core service reviews for the workers' compensation system in British Columbia. One was a review of major law and policy issues, performed by Alan Winter, Esq. His review, entitled "Core Services Review of the Workers' Compensation Board," led to the statutory changes of Bill 49 in 2002. Bill 49 made a number of major modifications to workers' compensation policy in British Columbia. It completely revised the governance structure, as well as the appeals system for workers' compensation in B.C. It raised the bar for "loss of earnings" pensions by establishing a "so exceptional" test. It ended lifetime benefit duration for permanent disability, added coordination with the Canada Pension Plan, and reduced the generosity of the cost of living benefit. It also changed the benefit formula from 75 percent of gross earnings to 90 percent of net earnings.

The other core review was the service delivery review, entitled "Why Not the Best," performed by the author of this reappraisal (H. Allan Hunt, Ph.D.) The Terms of Reference for this study and the Executive Summary of the results are included in Appendices of this paper. No legislation resulted from the Service Delivery Review, but the WCB of British Columbia was challenged in a number of dimensions to improve service to stakeholders; including workers, employers, and providers.

¹ Royal Commission on Workers' Compensation in British Columbia. 1999, p. 5.

² Ibid., p. 5.

³ Ibid., p7.

The “Review Components” for the service delivery review were specified in the Terms of Reference as the quality, efficiency, and accountability of WCB processes. The overall charge was for “... a comprehensive assessment of the WCB’s interactions with workers, employers, and the public, a review of the WCB’s current service standards, and development of recommendations that are in keeping with best practice.” (See Appendix III of this report, p. A-11) Our report, “Why Not the Best” addressed this challenge in March, 2002 with an assessment and recommendations for improvement toward best practice in each area.

Nearly six years later the leadership of the WCB, now doing business as WorkSafeBC, contacted me to inquire whether I would be available to return to British Columbia to assess progress on the recommendations of the 2002 report. In particular, they asked:

- 1) Have we acted on the underlying issues and the key recommendations of your core review?
- 2) Have we made observable progress (and if so how much progress have we made) towards achieving the potential inherent in the recommendations of the Core Review?
- 3) Are there areas we might wish to look at that would take us to the next level given where we are going with CMS? (personal communication dated 7 February 2008)

The present report is the result of that request. We will revisit each of the recommendations of the 2002 report and assess the progress made as of roughly September of 2009, when I was able to visit British Columbia for a week. But first it is necessary to develop the story of the environment within which WorkSafeBC operates and the performance of the workers’ compensation system over the period from 2002 to the present.

SYSTEM PERFORMANCE⁴

The British Columbia economy was very strong from 2002 through 2008. The goods-producing sector employment grew at 4.18 percent per year over the period. Construction employment surged by 10.99 percent annually, while manufacturing declined by 0.80 percent each year.⁵ Overall employment grew by 2.76 percent per year during this period and we would

⁴ This review makes extensive use of WorkSafeBC Key Performance Indicators, but does not follow them exclusively. The order of presentation reflects the author’s judgment of importance, which may not agree completely with the KPI structure or other requirements.

⁵ Statistics Canada, Labour Force Survey provided at www.bcstats.gov.bc.ca with calculations by the author.

characterise the period as one of strong employment growth in BC coming out of the recession of 2000-2001.

This strength is reflected in the unemployment rate for the province, which fell from 8.5 percent in 2002 to 4.6 percent in 2008. There were 71,000 fewer unemployed people in BC in 2008. Further, the strong demand for labour pulled more people into the labour force, and increased the percentage of the population 15 years of age and over that were employed from 59.6 percent to 63.5 percent. Gross domestic product of the Province (in constant prices) grew by 2.95 percent per year over this period.⁶

However, at the end of the decade, the global recession hit British Columbia as well. Employment fell by 55,000 from 2008 to 2009 and unemployment rose rapidly from 4.6 to 7.6 percent. For this reason, our review of WorkSafeBC performance will concentrate on the 2002-2008 period, with separate comments to update observations to include the 2009 results.

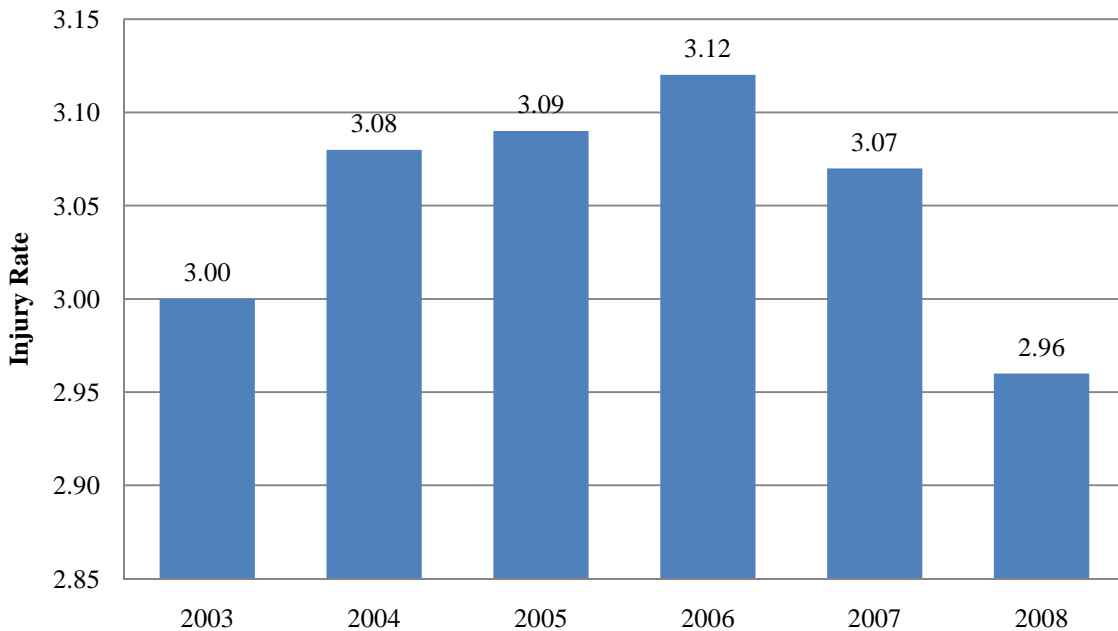
⁶ Statistics Canada provided at www.bestats.gov.bc.ca, with calculations by the author.

Number of Injuries

The number one goal for WorkSafeBC is preventing work-related injuries and diseases among the citizens of British Columbia. System performance improved from 3.2 injuries per 100 workers to 2.96 per 100 workers, or by about one percent per year (7.5 percent total) over the 2002–2008 period. But Figure 1 shows that there was a drift up during the middle of the decade. Achieving a reduction in claims incidence in the face of rapidly expanding employment is notable, since it is expected that bringing more workers into the labour force will lead to a higher incidence of workplace injuries due to the relative inexperience of the newcomers.

Driving the injury rate down from 4.05 per 100 workers in 1999 to 2.96 per 100 workers in 2008 is an achievement, particularly given British Columbia’s industry structure. Extractive industries have historically had the highest injury rates. However, these trends are not so different from those in other jurisdictions.

Figure 1 Injury Rate



Source: WorkSafeBC KPI Results

Benefit Adequacy

The second most important outcome, in my opinion, is the adequacy of wage replacement for injured workers. Unfortunately, this indicator has not yet been reduced to a periodic measure in any workers' compensation jurisdiction; so WorkSafeBC does not have an indicator for this outcome. Because of the complexity of matching periodic earnings records to workers' compensation claim records, such studies are done only occasionally. Fortunately, such a study is available for British Columbia.

In a state-of-the-art study, researchers at the Institute for Work & Health in Toronto calculated loss replacement rates for a sample of British Columbia workers injured between 1990 and 1994 who ultimately received compensation for permanent impairment, and a sample of workers injured in 1998 and 2000 who ultimately received only compensation for temporary disability.⁷ They followed the earnings of the permanent impairment sample for 10 years and the temporary disability sample for 5 years after the injury using administrative data. Finally, they used several different measures of the adequacy of workers' compensation benefits. The purpose of the study was to assess the impact of Bill 49 on the adequacy and equity of workers' compensation benefits in British Columbia. Thus, they estimated the wage losses incurred and workers' compensation benefits that would be received under the pre-Bill 49 regime and the post-Bill 49 regime. While there is no available trend analysis that would parallel our discussion of other outcomes, this draft study is the only information available about the adequacy of WorkSafeBC benefits.

For the permanently impaired sample, estimated replacement rates ranged from 101 to 106 percent, depending upon the particular measure used.⁸ It is reassuring to see that replacement rates rose with the severity of injury, as represented by the percent of permanent functional impairment. Only permanently impaired workers over 50 years of age seemed to consistently fall short of statutory benefit adequacy. This reflects their lesser probability of returning to work.

For temporary disability claimants, estimated earnings replacement rates ranged from 93 to 106 percent, with a similar (though less severe) drop for older workers.⁹ It is difficult to

⁷ See Tompa et al.

⁸ See Tompa et al., Table 10, p. 39. The reader should be cautioned that these numbers come from a pre-publication draft of the study, and they could change before final publication.

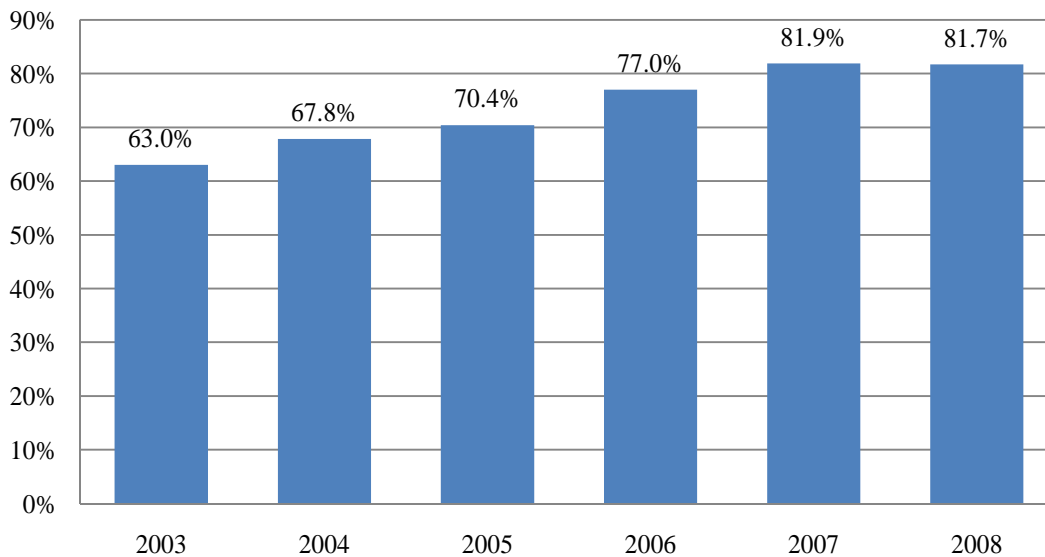
⁹ See Tompa et al., Table 18, p. 51.

compare these results with other studies, because the Tompa, et al. study is much more thorough and offers many more interpretive options. But it is worth noting that similar studies in the U.S. for permanent partial disability claimants have estimated aggregate replacement rates in the range of 29 to 46 percent.¹⁰ Thus we judge that workers' compensation benefits in British Columbia are adequate, even given the reductions in benefits that were imposed by Bill 49 amendments.

Return to Work

After the adequacy of compensation during disability we rank the ultimate positive outcome, return to work. Figure 2 shows the return-to-work performance for vocational rehabilitation clients of the British Columbia system from 2003 through 2008. The record of steady progress through 2007 reflects the strong labour market in B.C., but also the ability of the Vocational Rehabilitation Counselors and others to concentrate their efforts on a smaller number of clients. This was due in large part to the changes in the law that took effect in 2002, which reduced the number of permanent disability claimants receiving loss of earnings pensions. But WorkSafeBC was able to capitalise on the conditions to achieve remarkable performance improvements over this period.

Figure 2 Return-to-Work Outcomes



Source: WorkSafeBC KPI Results

¹⁰ See Reville et al., for a five-state comparative study of workers' compensation benefits for permanent partial disability claims.

This level of rehabilitation success is unlikely to persist. The combination of rising unemployment and increasing numbers of permanent disability claims are likely to bring this “golden age” of rehabilitation to a rapid end. In fact, concerns were expressed that newer vocational rehabilitation counselors at WorkSafeBC may not have a realistic appreciation of what the job is really like under more normal circumstances. Still, an 80 percent placement rate among VR clients is a remarkable achievement.

Employer Costs

Another critical measure of system performance is the cost to employers of supporting the system. Maintenance of the “historic compromise” in workers’ compensation programs in a political sense requires a balance between the benefits for injured workers and the cost to employers. If either is too high or too low, the political pendulum is likely to correct the error in short order. Figure 3 shows the trend in employer premium rates in British Columbia from 2003 through 2008. There was a decrease of 25.8 percent over the period in the average employer premium. So the trend in employer costs is also very good, especially given the judgment that benefits are adequate in the Province.

Figure 3 Aggregate Premium Rate



Source: WorkSafeBC KPI Results

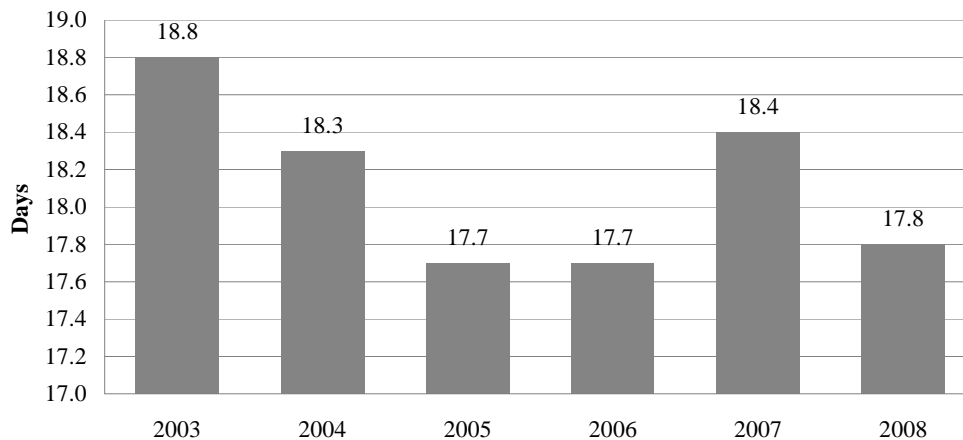
Timeliness of Claims Processing

Another major system concern is the timeliness of benefit payments. For both temporary and permanent disability claimants timeliness of disability payments is important to prevent

income shortfalls that lead to financial difficulties. Both the level and the timeliness of workers' compensation benefits are critical to the income maintenance objective for injured workers. Figure 4 shows that the time to first payment for short-term claims declined from 18.8 days to 17.7 days between 2003 and 2005. But then it jumped up to 18.4 in 2007, settling back a bit to 18.0 in 2008.

Comparison of timeliness of payment with other workers' compensation boards across Canada by the AWCBC for 2008 indicated that BC's average calendar days from registration to first payment was only bested by Nova Scotia and Saskatchewan.¹¹ Comparison with U.S. jurisdictions shows that the percentage of claims with more than 7 days of lost time where first payment was made within 21 days from the date of injury, ranges from 35 to 54 percent across 15 U.S. states.¹² WorkSafeBC claims data, adjusted for comparability, showed 58 percent of claims paid that quickly.¹³ Our judgment is that WorkSafeBC has achieved a very good level of timeliness of payment.

Figure 4 Timeliness of Initial Short-Term Disability Payments (days)



Source: WorkSafeBC KPI

This is also the most important area of impact for the claims handling problems due to the change in software support systems during 2009, as we shall see below. As new systems and procedures were introduced, and performance problems increased, the timeliness measure took a

¹¹ AWCBC Indicator Ratios analysis <http://www.awcbc.org/common/assets/ksms/2008indicatorratios.pdf>.

¹² WCRI timeliness indicator http://www.wcrinet.org/benchmarks/benchmarks_09/benchmarks_09_fig_6.html.

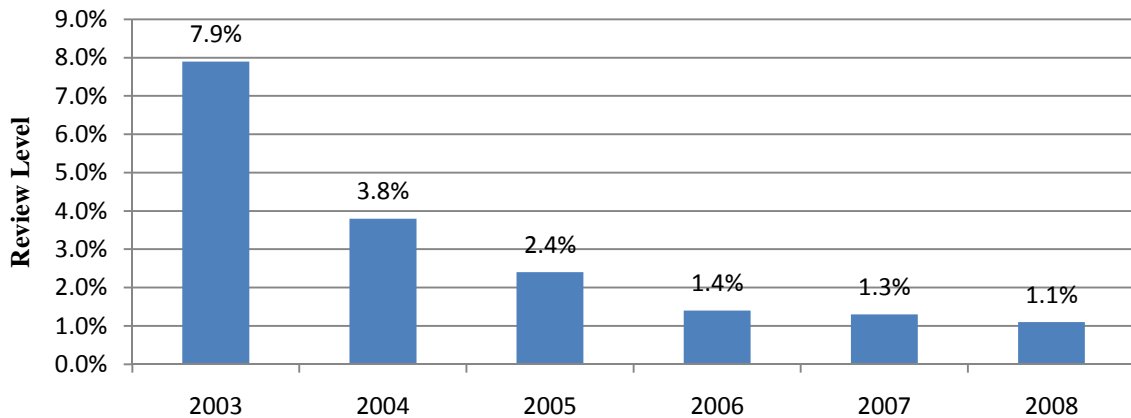
¹³ Thanks to Terry Bogoyo of WorkSafeBC for suggesting this comparison to me.

hit. For 2009, preliminary KPI results indicate that timeliness increased to 26.6 days. However, this should only be a temporary setback.

Quality of Decisions

With the volume of decisions that WorkSafeBC is called upon to make, some errors are inevitable. But the reforms of 2002 also altered the decision review process extensively. The current internal Review Division replaced the old Appeal Division and a new external Workers' Compensation Appeals Tribunal replaced the Workers' Compensation Review Board. The Medical Review Panels were eliminated. In addition, the flow of claims through the system was significantly rationalised and combined, with greater focus on getting the decision right the first time. The results are apparent in Figure 5, which shows the percent of claim issues leading to overturned decisions at the Review Division due to errors in law or policy. The error rate declined rapidly as the focus on decisions sharpened, and has now leveled out at around one percent.

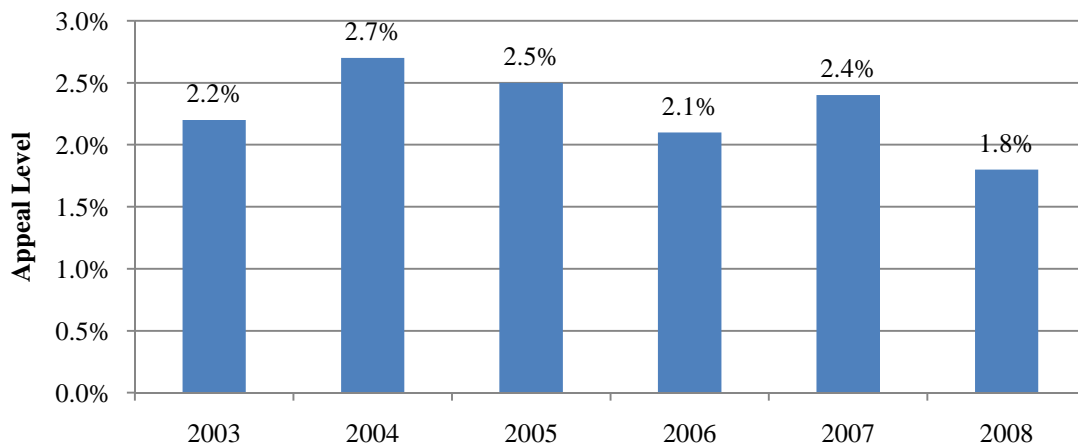
Figure 5 Overturned Decisions at Review Division



Source: WorkSafeBC KPI Results

There has also been a gradual improvement in the quality of decisions as viewed from outside the organisation. Figure 6 shows a gradual decline from about 2.5 percent overturn rate at the Workers' Compensation Appeal Tribunal for errors in law or policy in the middle of the decade to below 2 percent by 2008. Of course, there are also claims where there is a difference of opinion about the facts of the case, or where new information becomes available after the initial adjudication or after the Review Division decision. But we think the evidence is that the quality of decisions at WorkSafeBC has improved significantly.

Figure 6 Overturned Decisions at WCAT

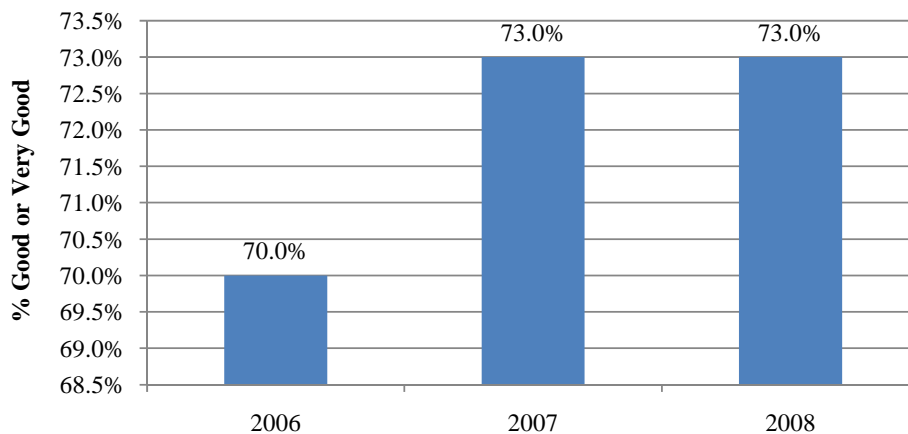


Source: WorkSafeBC KPI Results

Stakeholder Satisfaction

Ultimately, a major indicator of the success of a workers' compensation system lies in the satisfaction of stakeholders with that system. WorkSafeBC conducts an extensive stakeholder survey program, including ratings by injured workers, employers, and the general public. This program was substantially revised (including a new survey firm) in 2005 to provide a more sensitive indication of attitudes. Figure 7 shows the satisfaction rating for injured workers since the creation of the "Voice of the Customer" (VOC) ratings. The measure plots the proportion of the sample that rated satisfaction with their overall experience with WorkSafeBC as "good" or "very good" on a five-point scale from "very poor" to "very good."

Figure 7 Injured Workers' Rating of Overall Experience



Source: WorkSafeBC KPI

It is apparent that injured workers have high opinions of their interaction with WorkSafeBC, with positive ratings from nearly three-quarters of them. Further, this builds on a history of injured worker ratings between 7.5 and 7.8 on the earlier 10-point scale.¹⁴ Management at WorkSafeBC receives a tabulation of these reports by region, by division, and by function to keep their finger on the pulse of the organisation.¹⁵ Detailed analysis reveals that successful claimants gave "good" or "very good" ratings to their Entitlement Officer in about 85 percent of claims in late 2008 and early 2009, while claimants in disallowed claims agreed about

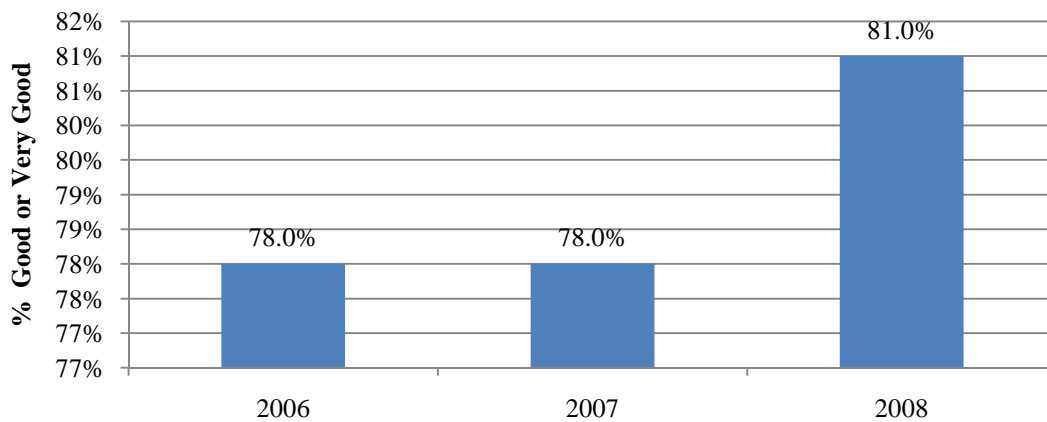
¹⁴ It is interesting to note that changing the measure (and survey vendor) in this case caused a reduction in the average rating of about 10 percent. This appears to be due to a number of factors including that the question is regarded as more demanding and direct.

¹⁵ In fact, this detailed report prepared by survey contractor Synovate is called an "Operational Pulse Check."

45 percent of the time. Unfortunately there are no published comparisons of ratings from the few workers' compensation systems that perform such surveys, but we regard the performance of the British Columbia system as very good.

Employer attitudes are slightly more favorable than those of injured workers, with 78 to 81 percent rating their overall experience as “good” or “very good” for the last few years as shown in Figure 8. Comparing performance indicators and interview results from 2009 with those we gathered in 2002, it is apparent that the Assessment Department has become a great deal more “user friendly.” Call waiting times are down very substantially and response to employer inquiries are being satisfied much more quickly now than in 2002. The Employer Service Center has made a significant contribution to the satisfaction of BC employers with the workers' compensation system.

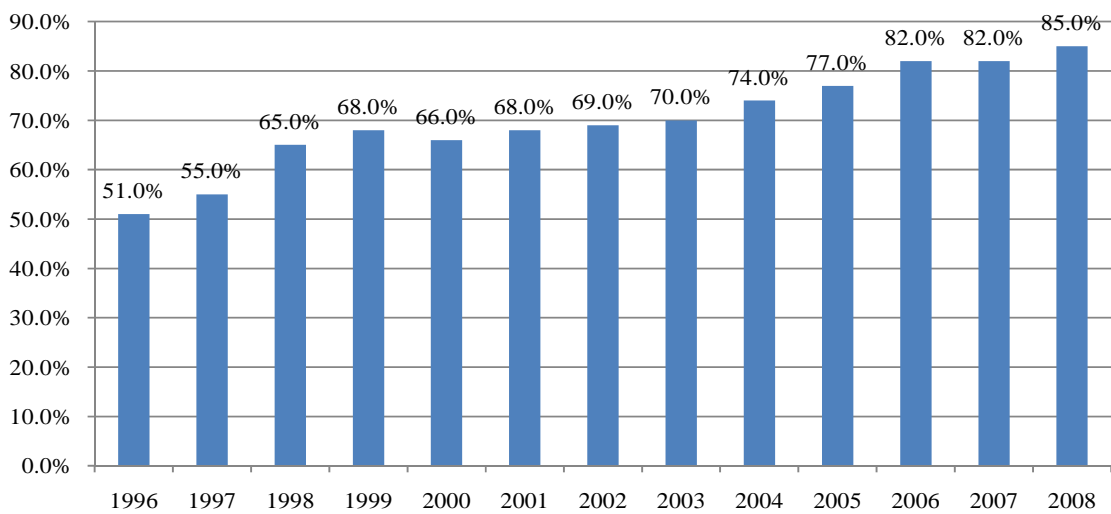
Figure 8 Employers' Ratings of Overall Experience



Source: WorkSafeBC KPI

In addition, the degree of general public confidence in the system has increased very substantially over the years. Figure 9 shows that on a consistently measured basis, public confidence has risen steadily since this measure was first taken in 1996. From 51 percent who responded that WorkSafeBC makes a very positive or somewhat positive contribution in 1996, the figure rose to 70 percent in 2003, 82 percent in 2006, and 85 percent in 2008. This progress is also reflected in the lack of negative attention in the press, which was a palpable factor early in the 90s.

Figure 9 Public Confidence Ratings



Source: WorkSafeBC KPI Results

Funding Level

Last, but not least, is the question of the workers' compensation system funding level. WorkSafeBC has achieved an unprecedented level of security for injured workers going forward. As shown in Table 1, from approximately 98 percent fully funded in 2002, the system built reserves to a level of 126 percent funded through 2007. This resulted from both operating surpluses and very positive investment results.

In 2007, the Board of Directors decided that additional security for future benefits and potential smoothing of future premium levels was needed. They therefore adopted a Capital Adequacy Reserve target based on the recommendations of the federal Office of the Superintendent of Financial Institutions for private insurance companies. Market reverses in 2008 held back progress toward the eventual goal of 160 percent of the minimum capital requirement level, but this is an admirable level of forward funding for any public workers' compensation system.

Table 1 WorkSafeBC Funding Levels

	Assets*	Liabilities*	Operating surplus (deficit)+	Percent funded
2002	8.1	8.2	571	98
2003	8.5	8.5	155	100
2004	9.0	8.6	346	104
2005	9.6	8.8	474	109
2006	10.5	9.0	703	117
2007	11.3	9.0	783	126
2008	11.6	9.6	(286)	121

* in billions

+ in millions

Source: 2008 WorkSafeBC Annual Report, Schedule A, pp. 92-93.

Prevention

The prevention function is more difficult to assess than claims or other functions. Interactions are more complex, relationships are more enduring, and outcomes are difficult to measure. To an outside observer with little time to invest, this is a particularly daunting assessment task. But reducing injuries and illnesses is the first priority of WorkSafeBC and prevention cannot be ignored.

We saw earlier that the injury rate rose from 2003 through 2006, and has been coming down since. This followed a long downward trend previous to 2003. The turnaround appears to have been connected to the internal reorganisation of WorkSafeBC in 2004. In particular, the

growing customer orientation at WorkSafeBC created a real quandary for Prevention Services. The inspectorate, which already had struggled through the enforcement versus consulting identity crisis in the previous decade, now had to face the question of what customer service meant in their world. When one is assessing penalties and levying fines on employers, it is not enough to just do it with a smile.

In addition, Prevention Services lost its identity as a division of WorkSafeBC when the “forward facing” customer oriented functions were grouped together in the new structure. Prevention lost their Vice President, which seemed like a demotion to some. So there was a period of turmoil in Prevention Services as another cultural change worked its way through the ranks.

Today there are many initiatives that reveal the new attitudes of customer service, performance measurement, and continuous improvement. WorkSafeBC has a new High Risk Strategy which involves the most dangerous sectors of the British Columbia economy: construction, manufacturing, health care, and forestry. This general movement to industry alignment of resources has been successful in promoting a more collaborate environment for safety and health promotion and enforcement. This is manifest in the expansion of the number of Health and Safety Associations from 5 to 12 in the last few years. These industry oriented groups agree to mutual standards and a standard levy for the members. WorkSafeBC brings accountability and collects the levy for the association.

The customer service motivation is reflected in a commitment to evaluation and accountability. Industry and Labour Services had an internal audit in 2008, and a program to require a formal audit of the performance of one of the Health and Safety Associations every year has been launched. In addition, Prevention Services have been enthusiastic supporters of the WorkSafeBC website portal. Users can obtain forms, documents, safety videos or presentations, and other materials there on demand. This is proving hugely popular and presumably leading to improved prevention performance as a result of better access to materials.

Last, but by no means least, Prevention Services have also submitted to the “Voice of the Customer” survey feedback conducted by Synovate. In early 2009, a survey of 200 employer representatives and 200 worker representatives from establishments that had recently been inspected was conducted. A total of 86 percent of employer representatives and 90 percent of

worker representatives reported “good” or “very good” impressions of the site inspection. This is an excellent performance.

Assessments

Perhaps the most surprising service gap at the time of the Core Review in 2002 was in Assessments. We were particularly distressed at the performance targets for telephone inquiries at the then new Employer Service Center (ESC). The goal of answering 80 percent of employer phone calls within 10 minutes did not meet our definition of good customer service.

In 2002, the average speed of answer for Employer Services calls (the most general category) was 7.1 minutes; and it actually rose to 8.2 minutes in 2003. For 2008, the average was down to 3.1 minutes. Further, the percentage of 15-minute intervals where the 80 percent service standard was achieved rose from 59 percent to 94 percent over this same period. Other phone queues (Registration, Assessment, Area Office Assessment, High Assessment, and Account Maintenance) also show gains in performance, despite heavy volume.

The web has grown in importance and in-person contacts have declined over this period, but telephone remains the preferred way of contacting WorkSafeBC among employers. The total number of incoming calls has declined from 246,100 in 2002 to 173,137 in 2008, but this is still a very large volume of phone calls to deal with. And of course calls are not spaced evenly over the day, so management of such a queue is a very significant challenge. While the performance has been significantly improved, the performance standard remains the same, and I still would not regard 10 minutes as an acceptable wait time.

However, the Employer Service Center has also been subject to the Voice of the Customer treatment in 2007 and 2008; surveying 100 employers who had two or more contacts with the ESC in the month of September. The percentage who found their overall experience with the ESC to be “good” or “very good” rose from 67 percent in 2007 to 85 percent in 2008. Also impressive is that the percentage rating their experience with the ESC as “poor” or “very poor” dropped from 15 percent to 2 percent. Reflecting the statistics on call waiting, the percentage rating their time on hold as “good” or “very good” rose from 41 percent in 2007 to 68 percent in 2008.

Appeals

The workers' compensation appellate structure in British Columbia was completely changed by Bill 49 in 2002. The old appellate system, consisting of appeal to an external Workers' Compensation Review Board potentially followed by appeal to the internal Appeal Division, with the Medical Review Panels as a separate wild card, has been swept away. The current structure is an internal Review Division at WorkSafeBC, followed by external appeal to the Workers' Compensation Appeal Tribunal (WCAT). Medical Review Panels were eliminated.

This structure seems to be much more effective than the old one. Strict time limits for decisions are being met, interorganisational cooperation is vastly improved, and the backlog of appeals is no longer growing. With output of 4,114 appeals and applications in 2008 (half by oral hearing, and half by the read and review method), and an inventory of 2,956 appeals at year end, the Workers' Compensation Appeal Tribunal seems to be managing the queue effectively.

The regular meetings of the Quality Council (see description below) has provided a regular channel for cooperation and collaboration between the WorkSafeBC Review Division and WCAT. Mutual interests are explored (such as common training programs), adjudicatory issues are ironed out, and interorganisational rivalry is reduced or eliminated. This has contributed both to the quality and timeliness of decisions at both the Review Division and the Workers' Compensation Appeal Tribunal.

CMS and KPIs in 2009

In May of 2009, a new comprehensive claims management software system was introduced at WorkSafeBC. It replaced some two dozen legacy software systems that had exceeded their useful lives. While this change was thoroughly anticipated and preparations had gone on for nearly four years, it still created a sizable disruption in the processing of claims at WorkSafeBC.

The Claims Management Solutions (CMS) system was designed in collaboration with the Ontario Workplace Safety and Insurance Board to simplify processing of claims by automating some elements of decision making in relatively straight-forward situations. This was also expected to improve decision making by eliminating human errors and allowing for more careful consideration of those claims that actually required human judgment. Because of the all-inclusive nature of the new claims management system, it was not possible to maintain parallel

and separate streams of claims processing. Therefore the decision was made to convert the entire organisation to a new comprehensive software support system on a single day in May, 2009.

As we have witnessed in other organisations that have been through a major software conversion, not everything went according to plan. Despite what appears to have been meticulous planning, thorough advance training, and the most careful preparation, some things did not go well. There were some flaws in the design of the system; things that the software designers were not aware of, and interactions between different parts of the system that no one had anticipated.

The result was that processing of claims was slowed and a queue developed. Provider payments were not processed because claims had not yet been accepted. Claims were not accepted because something was missing from the record, or it was otherwise not perfectly consistent with the software designers' specifications. Further, these problems came on the eve of the traditional summer vacation season which has always caused a slowdown in production and lengthening of processing times at WorkSafeBC.

It also had a significant impact on the KPIs for 2009. Timeliness of initial payment rose from 17.8 days to 26.6 days. Injured worker's rating of their satisfaction with their overall experience with WorkSafeBC fell from 73 percent "good" or "very good" to 65 percent in Voice of the Customer surveys. The overall injury rate in British Columbia also declined very rapidly from 2.96 per 100 workers in 2008 to 2.37 per 100 workers in 2009. This measure also may have been influenced by the slowdown in processing of claims, although WorkSafeBC and the external auditors cannot find a direct connection.

By September 2009, when my visit to British Columbia occurred, things were starting to get back to normal. There had been several major software updates released; additional training had been scheduled and performed, and the organisation was beginning to return to a new dynamic state. Fortunately, it appears that news of the problems at WorkSafeBC had not penetrated the general public consciousness, as the Voice of the Customer surveys showed an essentially unchanged 86 percent public confidence rating for 2009.

While it is too soon to judge the ultimate impact of CMS on the performance of WorkSafeBC, the management of the organisation is still confident that it will provide a great improvement both in productivity and quality of decision making. We see no reason to doubt that they are correct in this expectation.

WorkSafeBC RESPONSE TO SERVICE DELIVERY RECOMMENDATIONS

In this section, we will revisit the recommendations made in the Core Review of 2002, together with an update of the status in 2009. These discussions will draw upon the data presented earlier, as well as personal impressions formed during my visit to WorkSafeBC in September, 2009. However, the presentation will be somewhat more impressionistic, in keeping with the charge of assessing progress against those recommendations.

Recommendation #1 – Dedication to Service Quality

There is now no question about the dedication to service quality at WorkSafeBC. Everyone that I encountered “talked the talk” and claimed to “walk the walk” of service quality. Thus, I judge that the goal of turning the organisation into a service oriented one has been accomplished. This does not mean that WorkSafeBC has abdicated its decision-making authority by saying “yes” to every request. But it does mean that an effort at good service is made, even when the answer is “no.” This is borne out by the fact that 45 percent of claimants in disallowed claims still rated the performance of their Entitlement Officer as “good” or “very good” compared to 85 percent for successful claimants.

Top management at WorkSafeBC has tirelessly promoted this message, and several of the current Senior Executive Committee members have private-sector experience to draw on. Although I did not have sufficient time to talk with decision makers on the desks, I believe that the satisfaction ratings by claimants provide confirmation of the very significant change from the past. Therefore, I find that WorkSafeBC has achieved a dedication to service quality.

Recommendation #2 – Remedial Training

At the time of the Core Review, WorkSafeBC had not yet fully recovered from the deficiencies of the 90s in training and development of staff. The Training and Education Centre was closed in 1994, under the mistaken belief that computer decision-making algorithms could replace human decision makers in the adjudication of workers’ compensation claims. Thus, a cohort of people were put onto desks without adequate preparation.

Today, WorkSafeBC has a state-of-the-art training and development program which uses external American Society of Training & Development (ASTD) standards as benchmarks of performance. In 2008, over 4 percent of payroll (without benefits) was dedicated to the training

and development mission. In addition to the job-specific initial, developmental, and refresher training, the Human Resources Division provides leadership development, customer-service training, career-development support, and performance consulting.

They also perform an innovative exercise called a “Risk Register” for the training and development function. This document considers various possible threats to the Training and Development Plan, up to and including the threat of “changes in governance priorities for HR.” Each risk is rated in terms of its likelihood, the consequences, and the level of exposure.

In 2009, with the implementation of CMS, the Education and Development Services function was overwhelmed by the need for initial (planned) training and remedial (unplanned) training in the new claims management system. However, the department was able to react to the situation swiftly and to contribute significantly to the solution of the problems. Accordingly, I find that the human resource training and development function is being met in exemplary fashion at WorkSafeBC.

Recommendation #3 – Employment of Persons with Disabilities

WorksafeBC is now known as an outstanding employer; as demonstrated in being named to the “Top 50 Employers in BC” for 2009, the “Top 35 Diversity Employers in Canada” for 2009, the “Top 20 Family Friendly Employers” for 2009, and the “Top 100 Employers in Canada” for 2009. They also received the award for the most innovative health and safety campaign in Canada for 2008 from the National Association for Occupational Safety and Health.

The organisation has made a special effort in recent years to offer employment opportunities to persons with disabilities, including WorkSafeBC claimants as we recommended. In addition to the Provincial government initiative, called “Workable Solutions,” WorkSafeBC maintains an internal database of job opportunities (“Employment Development and Placement”) that are advertised exclusively to injured workers. In addition, the Vocational Rehabilitation Services Department solicits job opportunities from external employers to post on the EDAP system. WorkSafeBC also participates in the Greater Vancouver Business Leadership Network which promotes the full inclusion of people with disabilities in the world of work.

The results of these efforts are apparent in the proportion of WorkSafeBC employees who are known to have disabilities; rising from 4.4 percent in 2005 to 6.4 percent in 2009. Of course, this only includes those whose disabilities have been disclosed to the employer, so the

actual level is undoubtedly higher. Given this evidence, I find that WorkSafeBC has moved effectively to include persons with disabilities, including claimants, in their workforce.

Recommendation #4 – Quality Assurance Program

A Quality Management Framework was launched at WorkSafeBC in 2003 with the appointment of an inter-divisional “Quality Council” which included representation of the Workers’ Compensation Appeal Tribunal. The plan called for full implementation across the organisation by mid-2005 under the leadership of the WorkSafeBC Review Division. In some departments this initiative has gone forward, but not in all. Prevention in particular does not lend itself to easy measurement, or even specification, of quality goals. Internal realignment in 2004 followed by extensive preparation for CMS introduction has also distracted attention from this mission at the desk level. It would be fair to say that WorkSafeBC has not yet achieved a comprehensive quality assurance program, but many of the elements have been created and are waiting to be tied together. This would be the natural next step in the progression from traditional bureaucracy to a service-oriented philosophy.

Recommendation #5 – Public Outcome Measures

WorkSafeBC has established the most comprehensive set of public outcome measures that I have seen. We used their revised “Key Performance Indicators” extensively in the previous section to gauge system performance. Only in the case of benefit adequacy was it necessary to go outside of the established KPIs. We are particularly impressed with the survey-based indicators of injured worker satisfaction, employer satisfaction, and public contribution as perceived by the general citizenry of the Province. These are bold measures that speak volumes about the commitment of WorkSafeBC to customer service. WorkSafeBC is to be congratulated on adopting the public outcome measures and achieving a high level of performance on them.

Recommendation #6 – Disability Management

WorkSafeBC has endorsed the concept of disability management, but has not fully committed to it. The 65 Nurse Advisors at WorkSafeBC work with injured workers, employers, and providers during the first 12 weeks of disability to effectuate a viable and permanent return to work. The triage to screen incoming cases for referral to the Nurse Advisors appears to be successful. The Social Workers that were added to Special Care Services also have been very

productive. In addition, the ultimate vision for Worker and Employer Services (WES) is to utilise the potential staffing savings from CMS to apply more multi-disciplinary “face time” for seriously injured workers. These are all aspects of a modern, effective disability management program. WorkSafeBC has not yet arrived, but they appear to be on their way to a full and consistent commitment to disability management as a way of doing business.

Recommendation #7 – The Advisory Services

The Workers Advisory Organisation (WAO) and the Employer Advisory Organisation (EAO) were lauded in the 2002 Core Review for providing easy, inexpensive, and informed access to the workers’ compensation system in British Columbia. Our opinion is that they are critically important to provide “voice” to injured workers and aggrieved employers without the delay, expense, and complication of formal legal proceedings. However, my judgment at that time was that these services were stretched beyond their capacity, and it was recommended that their support should be expanded. But since these agencies are not the responsibility of WorkSafeBC, they were not included in this review.

Recommendation #8 – Self-Insurance and Self-Administration

WorkSafeBC has not moved toward self-insurance and self-administration; and there does not appear to be a strong taste for that among employers in British Columbia. We suppose that the performance of the system has improved sufficiently that this is no longer a “hot button” issue for employers or policymakers in British Columbia. That should be scored as another success for WorkSafeBC, even though it does not comply with my recommendation of eight years ago.

SUMMARY ASSESSMENT

WorkSafeBC has successfully transformed itself into a customer-oriented service organisation in the past decade. In my opinion, this is due primarily to the consistency of the leadership at WorkSafeBC and the unwavering focus of that leadership on the goal of service quality. The transformation may not be 100 percent complete yet, but the contrast with the organisation that I first encountered in 1991 is very striking indeed.

My impression is that stakeholder relations are vastly improved as well, although there was not sufficient time to evaluate this directly. The constant roar of criticism has been muted.

The governance changes of 2002 seem to have accomplished their objective. The changes to the appellate structure have also reduced tensions in the system. One obvious manifestation is the lack of negative media attention to WorkSafeBC, a welcome contrast with the decade of the 90s.

The branding change from the Workers' Compensation Board to WorkSafeBC also played a role in this transformation. By refocusing attention on the prevention aspect of the mission, WorkSafeBC appears to have succeeded in placing itself on the side of the public in British Columbia. They are no longer perceived as just another internally focused bureaucracy. This change in ideology began well before the current leadership took office, so some of the credit is due to previous capable leadership.

Perhaps the most amazing demonstration of the customer service transformation is the Voice of the Customer program, which submits WorkSafeBC to public scrutiny in a way that would have been unthinkable at the old WCB. The confidence to conduct these periodic surveys and incorporate them in the public assessment of performance is a convincing statement of the service quality commitment at WorkSafeBC. I congratulate WorkSafeBC on their achievements.

References

- Association of Workers' Compensation Boards of Canada (AWCBC). "Indicator Ratios for 2008." Mississauga, Ontario AWCBC. <http://www.awcbc.org/common/assets/ksms/2008indicatorratios.pdf> (accessed April 15, 2010).
- Hunt, H. Allan. 2002. *Why Not the Best? Service Delivery Core Review Report*. Upjohn Institute Staff Technical Report No. 02-017. Kalamazoo, MI: W.E. Upjohn Institute.
- Reville, Robert T., Leslie I. Boden, Jeffrey E. Biddle, and Christopher Mardesich. 2001. *An Evaluation of New Mexico Workers' Compensation Permanent Partial Disability and Return to Work*. Santa Monica, CA: RAND Institute for Civil Justice.
- Royal Commission on Workers' Compensation in British Columbia. 1999. *For the Common Good: 222 Recommendations: Royal Commission Reports on Workers' Compensation System*. Vancouver, BC: BC Royal Commission.
- Statistics Canada, Labour Force Survey. British Columbia Employment by Detailed Industry, Annual Averages, www.bcstats.gov.bc.ca, (accessed March 1, 2010).
- Synovate. 2008. *Voice of the Customer (VOC) Program. Employer Analysis and Tracking Report 2008*. Toronto: Synovate.
- Synovate. 2009. *Voice of the Customer (VOC) Program. Short Term Disability Injured Workers, Wave 6 Report*. Toronto: Synovate.
- Tompa, Emile, Cam Mustard, Mieke Koehoorn, Heather Scott-Marshall, Miao Fang, and Cynthia Chen. (forthcoming). *WorkSafeBC Study Report 1: The Impact of Bill 49 on Benefits Adequacy and Equity*. Toronto, Ontario: Institute for Work and Health.
- Winter, Alan. 2002. *Core Services Review of the Workers' Compensation Board* (March 11).
- Workers Compensation Research Institute (WCRI). Cambridge, MA: Workers Compensation Research Institute. http://www.wcrinet.org/benchmarks/benchmarks_09/benchmarks_09_fig_6.html (accessed April 15, 2010).
- WorkSafeBC. 2009. *2008 Annual Report and 2009–2011 Service Plan*. Richmond, BC: WorkSafeBC.

Appendix I
Table A-1 KPI RESULTS – 2002–2008

KPI	2008	2007	2006	2005	2004	2003	2002
Injury Rate	2.96	3.07	3.12	3.09	3.08	3.0	3.2
Return-to-work outcomes	81.7%	81.9%	77%	70.4%	67.8%	63%	81.5%
Timeliness of initial short-term disability payments (days)	17.8	18.4	17.7	17.7	18.3	18.8	16.4
Injured Workers' rating of overall experience ¹	73% good or very good	73% good or very good	70% good or very good	-	-	-	-
Employers' rating of overall experience ¹	81% good or very good	78% good or very good	78% good or very good	-	-	-	Not measured in 2002
Raise public confidence	85%	82%	82%	77%	74%	70%	69%
Attain aggregate premium rate between \$1.25 and \$2.25 (per \$100 of assessable payroll)	\$1.50	\$1.67	\$1.89	\$1.99	\$2.13	\$2.09	\$1.99
Improve decision making	Review level: 1.1%	Review level: 1.3%	Review level: 1.4%	Review level: 2.4%	Review level: 3.8%	Review level: 7.9% ²	Not measured In 2002
	Appeal level: 1.8%	Appeal level: 2.4%	Appeal level: 2.1%	Appeal level: 2.5%	Appeal level: 2.7%	Appeal level: 2.2% ²	

¹ In 2006, this measure was changed from rating of overall service provided by WorkSafeBC (10-point scale, with 10 representing “excellent” and 1 representing “extremely poor”), to rating overall experience (percentage that rated their overall experience as “good” or “very good” on a 5-point scale, with 5 representing “very good” and 1 representing “very poor”).

² Formal baselines were not yet established for this measure in 2003; therefore, all decision-making targets were considered preliminary.

Source: Adapted from WorkSafeBC 2008 Annual Report and 2009–2011 Service Plan.

Appendix II

**Why Not the Best?
Service Delivery Core Review Report**

Executive Summary

2002

SERVICE DELIVERY CORE REVIEW—METHODS AND ASSUMPTIONS

This report is one part of the Core Services Review of the Workers' Compensation Board (WCB) of British Columbia. It provides an assessment of the WCB's interactions with workers, employers, and the public, its current service standards, and recommendations in keeping with best practices.

H. Allan Hunt was appointed in Fall 2001 to carry out this review. This study benefited from the availability of other assessments of WCB performance, including the 1999 report of the Royal Commission on Workers' Compensation in B.C.

Performance assessment is informed by comparison with other jurisdictions, primarily in Canada, but also in the U.S.A. Consultation was carried out with a targeted set of stakeholders, from people inside the WCB to other government agencies, M.L.A.s, consultants, employers, workers and worker representatives. Public forums were held in Prince George, Kelowna and Nanaimo. Over 100 individuals were interviewed, and about 130 formal submissions were received.

Specific Responses to Terms of Reference

Quality

Fair and Timely Service

The WCB has generally provided fair, but not always timely, decision-making to workers and employers. Decision backlogs have grown and processing times have lengthened.

In Rehabilitation and Compensation Services, initial adjudication decisions are usually made in a timely manner. It appears that claimants are more satisfied with the service received from the WCB than they are with the overall workers' compensation system. Customer satisfaction data indicates that B.C. ratings are very similar to those in Manitoba and better than those in Ontario.

Changes in the 1990s reduced WCB adjudication quality in claims. The shift to a new business model in 1996 and lack of training were factors contributing to this problem. Lower quality decisions contributed to a perception of less fairness. Timeliness became a significant issue for permanent disability claims.

In Vocational Rehabilitation, there are issues relating to timeliness, and concerns about cost effectiveness. Client satisfaction among Vocational Rehabilitation clients is lower than among the general WCB population.

In the Prevention Division, quality of service seems to depend on individual officers in the field. Employers indicated that some officers are a problem, and that fairness and timeliness may be issues in the penalty process. The level of complaint was judged to be "normal," given that this is an occupational health and safety standards enforcement operation.

Fairness is an issue for some employers, who report that despite the positive efforts of many officers, there are still some officers whose main concern is to find violations, write orders and impose penalties. Timeliness is not much of an issue in Prevention.

In the Assessment Department, as in other areas of the WCB, there has been a great deal of change in the past few years. Partly as a result of these changes, the department has experienced a backlog of inquiries and a decline in the quality of service.

In principle, at least, the new employer classification system should increase fairness, but confusion was generated by the changes, and the department was overwhelmed by inquiries. Timeliness has been an issue in regard to service from the new Employer Service Centre for registrations, and routine account maintenance activity.

Centralising the Assessment Department service in Richmond has resulted in fewer employers being able to receive face-to-face service. The department's focus on e-communication puts employers in outlying areas at a disadvantage due to lack of access.

Appeal delays are another area where timeliness is a significant issue. Appeals from WCB decisions grew rapidly in the first half of the 1990s, and the Workers' Compensation Review Board (WCRB) fell further behind. Delays for appellate relief of WCB decisions adds to customer dissatisfaction. Overly long appellate delay was the number one service problem mentioned by workers and employers alike.

The report applauds the Appeal Intervention Pilot Project, and the new spirit of cooperation between the appellate bodies. However, attacking this problem at the "back end" of the adjudication process, during an appeal, rather than when WCB makes the decision in the first place, is not the most effective way to solve the problem in the long run.

Communication

Communications with clients and stakeholders have improved tremendously over the past decade. Unfortunately for the WCB, the number of information requests has escalated at least as rapidly. In the last five years, alterations in the adjudication model, the assessment classification system, the experience rating system, and Health and Safety Regulations have all created the need for even more communication. As the board has moved ahead in its technology, some clients and stakeholders feel they have been left behind.

Difficulty in communicating with the WCB is a major complaint by both claimants and employers. The most serious communication failures encountered during the core review were in the Assessments Department, where the Employer Service Centre is not able to handle the volume of phone contacts, and the standards of performance that have been adopted are not good enough to satisfy employer stakeholders.

Use of Plain Language

Plain language is not used in all WCB decisions. This is a continuing problem. There is a current board initiative to improve claim decision letters. It is anticipated that this will allow claimants to better understand the content.

Information and Awareness about the WCB

The average worker who is concerned about his or her claim does not know how to get additional information, or how to resolve problems. Employers frequently turn to the office of the Employers' Advisers for assistance with assessments, prevention issues, and employee claims, as well as appeals. The report suggests that the Workers' Advisers Office and the Employers' Advisers Office are critical to the operation of the workers' compensation system in British Columbia but they continue to be pressured by increasing demand.

Processes for Resolving Complaints and Disputes

Dispute resolution through the appellate process is not timely or effective. It is not unusual for a claim to go through all three levels of appeal and arrive back on the same WCB desk for implementation of an appeal decision four or five years after the initial adjudication decision. The report questions the effectiveness of dispute resolution since so many of the decisions of the WCRB are appealed to the Appeal Division of the WCB, and many of the Appeal Division decisions go on to Medical Review Panels.

Adequacy of Training

Each operating division handles its own staff training. In the Vocational Rehabilitation and Compensation Services Division, there was a minimum of staff training in the mid- to late-1990s, coincident with the introduction of the case management model, e-file, and the Continuum of Care program. Beginning in 1999, the division restored a training capacity. Employers perceive WCB staff is inadequately trained in client interaction and client service. Claimants indicate they are less satisfied with the personal aspects of service they receive than with technical issues.

The Assessment Department provides three weeks of classroom training on employer registration to the Employer Service Representatives. Four to six weeks of mentoring follows. When appropriate, the ESRs receive three additional weeks of classroom training on making changes to existing employer accounts. Again, this is followed by four to six weeks of mentoring. Employers feel assessment staff members appear to find it difficult to "disown" the decisions they make. Staff members are reportedly reluctant to apply policy where it appears that the board made an error and there may need to be a change.

In the Prevention Division, new officers undertake training that covers several months including classroom work, field work, and mentoring. Feedback from employers indicates that client interaction and service quality appear to be very much officer-dependent. Some negative patterns are seen in new officers and with some officers who became part of the system before positive client interaction was seen as an essential skill.

This report concludes that the WCB does not provide adequate training to staff in terms of client interaction and client service.

Efficiency

Administrative Costs

On average, WCB administrative costs per claim processed have grown by 5.5 percent per year over the past ten years. Administrative costs include most workers' compensation prevention and rehabilitation activities, as well as the costs of the appellate system. Additionally, the average complexity of claims has grown over the past decade, as has the average duration of disability and average compensation paid. These, in part, have placed pressure on administrative costs, but WCB administrative costs per dollar of claim cost have actually declined over the last decade, as in other jurisdictions.

Compared to other Canadian jurisdictions, administrative costs in B.C. per lost-time claim are lower than in four other jurisdictions (Alta., Ont., NWT and Yukon), roughly comparable with five (N.B., Nfld., N.S., Que., and Sask.), and higher than two (Manitoba and P.E.I.). The report concludes the B.C. system is efficient and is generally keeping with best practice in North America.

Timeliness

Efficiency is also indicated by the ability of a workers' compensation system to restore an income stream to injured workers swiftly. B.C. is near the top among Canadian jurisdictions in speed of issuing the first cheque following claim registration, or when measured from the date of injury.

Focus on Delivering Core Services

The author believes that in Compensation Services, the current system does provide an adequate focus on delivery of core services. It is not complaints about efficiency, but quality of adjudication, that has been the focus of stakeholder complaints in past years.

In the Prevention Division, use of the overall work-related injury rate (claim rate) as a performance measure has helped change the focus from process to outcomes. It has also been associated with a reorientation of the division from regulation and compliance to a more consultative, systems-oriented approach. It has been successful, judging by the falling injury rate and the demand by employers for more consultative resources.

Some employer groups are calling for splitting the consultation and enforcement roles of the division. Some employers are reluctant to engage in consultation as they feel it puts them at risk for potential orders or penalties. The report concludes that splitting the division is not a good idea. It would increase organisational complexity and, due to geographical constraints, stretch WCB staff even more thinly across the province. The report suggests these problems can be overcome with WCB staff who are better trained and more effectively managed and a more informed employer community.

We do not have comparative numbers from other jurisdictions to make evaluations of efficiency in the Assessment Department. Our impression is that efficiency and quality have declined through the transition to the Employer Service Centre strategy. The unmet service needs

of employers must be resolved soon, or a fundamental level of confidence in the Assessments Department will be lost.

Accountability

Current Performance Measures and Reporting Mechanisms

The WCB has developed a system of key performance indicators that cover the critical performance dimensions for the agency. This is a significant improvement over the process-oriented measures that were dominant a few years ago. Each division utilises a wider array of process-oriented measures to monitor their performance internally.

Many of the key performance indicators are outside the control of the WCB, or may be in conflict with each other. The WCB needs to carefully review the “performance” of their performance indicators to ensure these are leading the Board in the right direction.

Meeting Service Standards

Due to a lack of useful data from other jurisdictions, the WCB must primarily use its own historical performance levels to gauge its progress in improving performance. This “continuous improvement” model seems appropriate. The report suggests the WCB should endorse the goal of becoming the first or second best workers’ compensation agency in Canada for those dimensions of performance that can be assessed comparatively.

Ensuring Ongoing Accountability

The board has established performance indicators to measure quality and quantity of service delivery, with the input of the Practices Forum which includes stakeholders. In order for stakeholders to have confidence in the performance evaluation process, they should have some active involvement. The WCB might consider a system performance committee consisting of those delivering the service, those receiving it, and other stakeholders. The committee would review system performance measures and certify the performance of the WCB.

RECOMMENDATIONS

Customer Service Attitude

1. Recommended: the WCB implement a comprehensive service quality campaign throughout the organisation, but particularly in the Rehabilitation and Compensation Services Division.

Staff Training and Accountability

2. Recommended: the Staff Training and Development unit in Rehabilitation and Compensation Services conduct an assessment of the gaps in training that still persist within the division and develop flexible remedial training programs that will address gaps in the knowledge, skills, and abilities of current WCB decision-makers.

3. Recommended: the WCB embark on a pro-active program to hire people with disabilities, particularly those resulting from work injuries. It is only through improved awareness of and sensitivity to the problems of people with disabilities that the needed cultural change will take root.

Quality Assurance Program

4. Recommended: the WCB commit itself to quality adjudication and that this be backed up with a strong quality assurance program. After appropriate standards of service quality have been developed, the WCB should establish a quality assurance unit under the direction of the President/CEO. This group of experienced decision-makers would review a random sample of decisions from all three operating divisions and evaluate them according to law, policy and procedure with the intention of improving performance.

Outcome Measures

5. Recommended: the WCB develop a shorter list of outcome measures [than is already in use] that would be reported to the general public on a quarterly basis.

Vocational Rehabilitation

6. Recommended: the adoption of practice guidelines for disability management that have been developed by the National Institute of Disability Management and Research (in British Columbia) and endorsed by the International Labour Office (ILO) in Geneva.

Advisory Services

7. Recommended: the Workers' Advisers and the Employers' Advisers be expanded to meet the needs that exist.

Self-Insurance and Self-Administration

8. After the recommended quality service initiatives have been implemented and the system has found its new equilibrium (in two or three years), the report recommends that a Policy Bureau study and stakeholder discussion be initiated over the self-insurance, self-administration issue.

Appendix III

Core Services Review of Workers' Compensation Board Terms of Reference September 2001

The government has recently begun a review of all of its core services and systems of administrative justice. A comprehensive review of the Workers' Compensation Board (WCB) is seen as an essential component of this process, as well as to meet the government's New Era commitment to make the Workers' Compensation Board more responsive to the needs of injured workers and employers alike. This document sets out the terms of reference for the core services review of the WCB.

Background

The WCB is an independent provincial agency created by the Workers Compensation Act. The WCB is responsible for adjudicating and administering benefits to workers, their dependants, and survivors for occupational injury and disease. The WCB is also responsible for the province's occupational health and safety program. The workers' compensation system is a mandatory, no-fault, monopoly system based on a "historic compromise" whereby workers give up the right to sue in return for security of benefits, and employers gain protection from legal suit in return for funding the system.

The WCB is a complex organisation; this complexity results from the fact that it has responsibility to:

- exercise quasi-judicial functions that affect rights and responsibilities of workers and employers;
- exercise quasi-legislative functions that interpret the *Act*;
- develop regulations and perform regulatory functions;
- perform rate setting functions that can affect competition in the marketplace;
- perform inspection functions and investigative functions;
- collect and manage large amounts of money that must be invested to ensure funding levels sufficient to meet current and future liabilities;
- employ and manage a large, diversified work force which is deployed throughout the province;
- establish fee rates and oversee the quality of care provided by regulated health professionals;
- provide physical and vocational rehabilitation to injured workers and assist them to return to work.

The WCB's organisational structure reflects the complexity of these responsibilities. It is divided into three functional areas: policy making, administration, and appeals.

A Panel of Administrators consisting of a Chair and four Panel members governs the WCB. The Panel sets the policies and strategic direction for the WCB.

I. Objectives of the Review

The objective of the review is to ensure the Board has a clear mandate, which is relevant to society, and to determine ways in which the WCB can improve service delivery for both workers and employers. The review will be guided by the "historic compromise" that underpins the establishment of the workers' compensation system, as well as by the core services review framework and questions. Broad objectives include:

- Making recommendations with respect to the legislative and policy framework WCB requires to carry out its mandate effectively;
- Making recommendations to eliminate overlapping jurisdictions and multiple proceedings;
- Making recommendations to streamline administrative procedures.

Objectives that are specific to the WCB include:

- Making recommendations to ensure the long term viability of the workers' compensation system; and
- Making recommendations that will improve the service delivery of WCB programs and services.

In addition, the review will take into consideration the findings of the Royal Commission as set out in the Royal Commission's Interim and Final Reports.

II. Review Components

The review of the workers' compensation system will be divided into two parts. The first part will focus on service delivery. The second part will comprise five components: board governance, appellate structure, major law and policy issues, occupational health and safety and deregulation, and role definition.

Part 1: Service Delivery

A review of the current service delivery challenges within the workers' compensation system will be undertaken. A key component of this review will be a comprehensive assessment of the WCB's interactions with workers, employers, and the public, a review of the WCB's current service standards, and development of recommendations that are in keeping with best practices.

Specific questions to be addressed will include:

Quality

- a) Is the WCB providing fair and timely services to workers and employers in terms of decision-making about workers' compensation and rehabilitation, occupational health and safety in the workplace, and employer classification and premium rates?
 - b) Does the WCB communicate with its clients and stakeholders in a timely, responsive, and accurate manner? Is the response provided by the WCB appropriate given the nature of the question, problem or concern?
 - c) Is plain language used in all decisions, documents and communications? Are sufficient opportunities for face-to-face meetings and interaction provided?
 - d) Do workers, employers and the public have sufficient information and awareness about the WCB to access its services efficiently and appropriately?
 - e) Are processes for resolving complaints and disputes timely, fair, and effective? Are workers and employers adequately advised of their review and appeal rights?
- Does the WCB provide adequate training to staff in terms of client interaction and client service?

Efficiency

- a) Are current organisational and service delivery models the most efficient available, and in keeping with best practices? Will current service initiatives improve service delivery and meet the future needs of stakeholders? If not, what changes should be made to increase the level of efficiency while maintaining high levels of quality service?
- b) Does the current system provide an appropriate focus on delivery of core services? Can organisational complexity be reduced to deliver these core services in a more efficient manner?

Accountability

- a) Are current service performance measures and reporting mechanisms appropriate and effective?
- b) Are appropriate mechanisms in place to ensure service standards and key performance indicators are tracked and met? Are appropriate benchmarks established and tracked?
- c) If not, what changes should be made to ensure the ongoing accountability of the WCB for fair, responsive, and timely delivery of service to workers, employers and the public?