

2014

**WSIS**

Workplace Safety  
and Insurance System

## Year-End Report

April 2015

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# INTRODUCTION

The Workplace Safety and Insurance System (WSIS) is a collaborative partnership of stakeholders, government, agencies, and others all working together to improve workers' compensation and occupational health and safety in Nova Scotia. Throughout the System there are increasing conversations about workplace safety, return to work, and improving outcomes for workers and employers.

Discussions amongst partner agencies, stakeholders, third party and aligned organizations, the OHS Advisory Council and hundreds of other Nova Scotians over the past year have all informed the continued implementation of the *Workplace Safety Strategy 2013-2017*. These discussions have also helped to inform the development of improved workplace health and safety regulations and a safety toolkit for small and medium sized businesses, among many other initiatives. This level of discourse ensures the System is continuing to evolve balancing the interests of workers and employers – those whom the System serves.

The System in Nova Scotia continues to be faced with many challenges including an unfunded liability, lower benefits for workers and higher rates for employers compared to the rest of Canada. Through continued discussion we will face these challenges together, as a community. This 2014 Year-End Report provides highlights of the initiatives that were undertaken in the past year and summarizes the progress we are making.

# BACKGROUND

Workers and employers play an integral role in the Workplace Safety and Insurance System by providing valuable input into the System's collaborative areas of priority. The agencies, in turn, are responsible for considering stakeholder expectations and feedback in the context of operational realities – to determine what is possible and/or what is required to achieve improved outcomes. A Coordinating Committee provides oversight – ensuring that stakeholders and partners work together toward common goals.

Our **mission** is to work together to help keep people healthy and safe at work, to insure against loss and to support workers' rehabilitation. We strive to be fair, open and responsible in everything we do.

Our shared **vision** is, "Safe, healthy workplaces for Nova Scotians, and sustainable safety and insurance services".

Our **goals**:

1. Improve outcomes for workers and employers,
2. Improve service delivery,
3. Ensure effective governance of the System, and
4. Ensure financial sustainability of the System.

A vision is the destination that we steer toward; goals are the guide posts that help us get there. This report examines our progress in 2014 along the path to that vision by evaluating progress on initiatives and System performance results.

More details on agency-specific performance reports can be obtained from the respective agencies:

- Occupational Health and Safety Division Annual Report
- Workers' Advisers Program Annual Report
- Workers' Compensation Appeals Tribunal Annual Report
- Workers' Compensation Board Annual Report

# PROGRESS TO PLAN

Collaboration is a key focus area and the following are initiatives that best characterize this collaboration supporting continued progress towards System goals:

## **Workplace Safety Strategy for Nova Scotians 2013 - 2017**

Over the past year we have seen new levels of collaboration and partnership growing from the Workplace Safety Strategy, with new tools and resources developed to help workplaces build a stronger culture of safety. We've seen leaders representing labour, government and the private sector, coming together, and collaborating on new ways to improve safety outcomes in our province. Significant progress was achieved during 2014 including: the design of a draft workplace safety toolkit for small and medium business, an enhanced administrative penalty model, a province-wide inspection blitz within the construction industry, and the hiring of a dedicated prosecutor to handle issues pertaining to workplace safety. More details on the progress achieved in year two of the Strategy are available at [www.workplacesafetystrategy.ca](http://www.workplacesafetystrategy.ca).

**Writing Better Decisions** – Beginning in 2012, in an effort to improve service, consultation with the Workers' Advisers Program, Workers' Compensation Appeals Tribunal and stakeholders led to a change in WCB claim decision writing. In 2014, WCB internal teams improved the way they work together to resolve first-level claim decision appeals, and began to adopt a plain language writing approach for claim decisions. These changes are aimed at making the decisions more consistent and easy to understand, which will make the appeal process less litigious, and resolve issues sooner in the appeal process.

**Centralized Surgical Services Program** – Research shows the longer someone is away from work due to an injury, the less likely they will ever return to their job. To help injured workers get speedier access to the surgical care they need as part of recovery and return-to-work plans, the WCB partnered with Annapolis Valley Health to take advantage of unused public operating room capacity to provide timely surgery services. This new program began in April and benefits injured workers and all Nova Scotians because it uses available operating room time and surgeon capacity not funded by the public system to provide surgical care to injured workers, in an effort to support a safe and timely return to work.

**WCB Program Policy Changes**- In 2014, the WCB Board of Directors consulted with stakeholders on a number of program policy items:

- revisions to policies 2.1.1R11 (*Workers' Travel Expenses for Health Care*) and Policy 4.2.4R12 (*Workers' Travel Expenses for Vocational Rehabilitation*) to reflect a change to injured workers' travel rates;
- revisions to Policy 1.2.5AR *Occupational Hearing Loss Injuries on or after January 1, 2000*;

- new *Psychological Injury* Policy 1.3.9 that establishes criteria for the individualized adjudication of psychological injury claims under the *Act*; and
- minor revisions to Policy 3.1.1R3 *Calculation of Gross Earnings*

**2014 Mainstay Awards** - The Mainstay Awards were created in 2008 – a partnership of the Workers’ Compensation Board and Nova Scotia Labour and Advanced Education.

The Mainstay Awards recognize Nova Scotians as leaders in promoting a culture of safety. Under the program, effective injury prevention and return-to-work management programs or initiatives are publically recognized, resulting in positive company morale and corporate reputation, and a higher profile for workplace safety as a business imperative.

The annual Mainstay presentation event is held in conjunction with the 2015 WSIS Annual General Meeting during NAOSH Week. Ten awards in 8 categories will be presented this year.

**Workplace Health and Safety Regulations** – The Nova Scotia Department of Labour and Advanced Education received considerable feedback on changes to the regulations under the *Occupational Health and Safety Act*. The advice and input have been very helpful in the decision to pause the process and re-think what regulatory changes are needed at this time. The department wants to be sure that the people the regulations affect the most; workers, employers, labour, unions and other valued safety partners have more opportunity to have their say as the department determines how safety regulations are designed and implemented. The feedback and input the department has received to date will not be lost. It will help guide the department’s discussions moving forward. More information will be coming soon.

**Targeted Inspections** – 2014/2015 saw the Occupational Health and Safety Division exceed its goal of doubling the number of proactive (targeted inspections). The Division inspected 623 workplaces in 2014/2015 versus 236 inspections in 2013/2014. The Division is currently developing an inspection plan for 2015/2016 which may include blitzes in the construction and health-care fields. The inspection plan is meant to include programs engaging various industry led safety associations.

**WCB Strategic Plan 2016-2020** – In consultation with Nova Scotians, the WCB began to develop a new five-year strategic plan. Input on the plan has been sought from labour and injured workers’ groups, industry groups, academia, safety associations and other system partners. Stakeholders were invited to review a draft strategic plan in early 2015 and the Board of Directors will then approve a strategic plan that strikes the right balance between the needs of workers and the interests of employers moving forward. When complete, the plan will describe the strategies the WCB will implement to make advances in workplace safety and safe and timely return to work for the benefit of all Nova Scotians.

# System Performance

System performance is monitored on an on-going basis. The results are used by stakeholders and agencies to gauge the health of the System and measure the progress towards achievement of the System's goals and objectives.

Table 1 depicts the System Scorecard, and measures within each quadrant. For more information on 2014 performance results, refer to Appendix A.

Table 1: System Scorecard– 2014

Measure	2014	2013
<b>OUTCOMES</b>		
Composite Duration	102	99
% Labour Force Covered	73%	72%
% Return To Employability	96%	96%
Injury Rate	1.82	1.86
* Injury Rate, Claims > 26 Weeks	10.26%	10.28%
<b>SERVICE DELIVERY</b>		
Injured Worker Satisfaction Index for WCB	75%	73%
Employer Satisfaction Index for WCB	79%	79%
Workers' Advisers Program Client Satisfaction	95%	93%
Injured Worker Satisfaction, claims > 26 weeks	70%	69%
Stakeholder Awareness of Importance of Workplace Health& Safety	94%	90%
Decisions allowed or allowed in part (WCAT)	46%	47%
<b>FINANCIAL SUSTAINABILITY</b>		
Benefits Comparison	See Table on Page 18	
% Funded	76.9%	71%
Average Assessment Rate (Actual)	\$2.67	\$2.66

*\*The proportion of workers with a lost-time injury who received short-term disability benefits exceeding 26 weeks.*

# ALIGNED AND THIRD PARTY ORGANIZATIONS

Aligned and Third Party Organizations are collaborative partners in achieving the System's goals and objectives.

An Aligned Organization is funded directly by a System agency. A Third Party Organization is not directly funded by an agency but shares elements of goals and objectives of the System.

The following submissions received are from the Aligned and Third Party Organizations directly.

## Aligned Organizations

### **Office of the Employer Advisor and Office of the Worker Counsellor**

Both the Office of the Employer Advisor and the Office of the Worker Counsellor developed year-end reports in 2014. These reports are available on the WSIS website at [www.wsis.ns.ca](http://www.wsis.ns.ca) and provide details of the organizations' achievements in the past year.

### **Pictou County Injured Workers' Association**



*Pictou County Injured Workers Association  
142 Provost Street  
New Glasgow, Nova Scotia  
B2H 2P7  
Tel: 902-695-7249  
Fax: 902-695-3153  
E-mail: [pciwa@eastlink.ca](mailto:pciwa@eastlink.ca)*

April 2015

The mandate of Pictou County Injured Workers Association is to provide assistance, advocacy and support for injured workers and their families who experience the devastating effects of workplace injuries. The long-term goal of our association is to facilitate sufficient change to the workers' compensation system to allow our association to devote 100 per cent of our focus on our founding principle: *To be a support group for injured workers and their families.*



Our association's active participation in the WSIS system contribute to the system goals of improving outcomes for workers and employers, improving service delivery and ensuring effective governance of the system. Our most significant focus is on providing advice and advocacy to workers involved in the case management process, including return to work programs, to promote safe outcomes and decreased appeals.

The following statistics highlight the increasing activities of our office services and the needs of injured workers involved in the workers' compensation system:

Client Activities from January 1, 2014 to December 31, 2014

Incoming Telephone calls -	4722
Outgoing Telephone calls -	3623
In Office Appointments -	2067
Walk ins (no appointment) -	1596

The increased complexity and more lengthy adjudication of claims have significantly increased our time commitment to claims management issues. Our workload has increased dramatically from 100 files in 2003 to 439 in 2014. Our current caseload is 523.

One significant highlight this past year was our role in the outcome of an important decision from the Workers' Compensation Appeals Tribunal in November 2014. Our submissions as an Intervener in a worker's appeal (**Decision # 2014-231**) were paramount to a decision which determined the inappropriateness for WCB to pay wage loss benefits to a worker participating in a return to work program with an employer without a determination based upon a claim by the employer and sufficient evidence of undue hardship.

In our opinion, the impact of this decision is that all workers participating in return to work programs are paid a salary or wage from their employer for hours worked rather than receiving wage replacement benefits from WCB. An employer must provide the Board with evidence of undue hardship in order to be absolved of paying the worker wages for hours worked in the return to work program.

In our opinion, this decision will have a profound impact on providing increased earnings to workers through employment earnings and should dramatically reduce claim costs due to the elimination of associated wage replacement benefits.

Yours truly,

Mary Lloyd, President

## Third Party Organizations

### NS Automotive Dealers Safety Association

The Nova Scotia Automobile Dealers Safety Association provided the Association's 2014 Annual Report and it is posted on the WSIS website at [www.wsis.ns.ca](http://www.wsis.ns.ca).

### Retail Gasoline Dealers Association of Nova Scotia

The Retail Gasoline Dealers Association of Nova Scotia refers readers to the Automotive Trades Association of Atlantic Canada website to review the Retailer Report Newsletter at [www.ataatlantic.ca](http://www.ataatlantic.ca). The following is a sample of the newsletter.



## Retailer Report

**Retail Gasoline Dealers Association of Nova Scotia**

192 Wyse Road, Suite 8 Dartmouth Nova Scotia B3A 1M9 1.877.860.3805  
ataatlantic@eastlink.ca

March 2015



**TO THE 30th EDITION OF THE RETAILER REPORT!**

### On Site Safety Training Paying Off



**Retailer Work Place Safety Assessment and Training Program**

Mr. Jim Brown, President of Occupational Health & Safety Association of Nova Scotia, has been selected as the 2014 recipient of the Retailer Work Place Safety Assessment and Training Program Award. This award recognizes the commitment of retail gasoline dealers to workplace safety and the implementation of safety programs that have resulted in a reduction of reported claims and WCB rates.

The importance of providing a safe workplace cannot be over emphasized. Programs that result in less lost time, less personal injury, less business interruption and less worker's compensation board premiums must be embraced and supported. The retail gasoline industry continues to respond to this important work place culture. As a result of the continued reduction of reported accidents, once again the WCB base assessment rate is reduced.



At the February 19 Annual Industry Awards Evening the winner of the RGDA/ATA Annual Scholarship Award was announced. The lucky recipient is Brittany Pace, daughter of past RGDA President Wayne Pace. Congratulations Brittany!

#### Retail Gas Industry WCB

	2012	2013	2014	2015
Reported Claims	90	73	71	N/A
Base Rates	\$2.22	\$2.24	\$2.11	\$2.07
Highest Rates	\$3.46	\$2.88	\$2.95	\$3.27
Lowest Rates	\$1.68	\$1.57	\$1.57	\$1.52

Source: WCB Statistics

#### Automotive Sector Council

*"The need to reduce accidents and resulting impacts upon employers and employees cannot be overstated. Costs related to human suffering and financial considerations are significant and negatively affect the industry. The Sector Council is committed to keeping up with the rapid changes in workplace safety requirements."*

- Shannon Trites, Executive Director

#### Thank You Sponsors!



# WHERE TO FROM HERE – PATH FORWARD FOR 2015

During 2014, considerable progress was made towards achieving the goals and objectives of the System. The System's collaborative initiatives and partnerships are examples of this progress.

In 2015, consultation with stakeholders will continue to be a key area of focus. Several important initiatives involving strategic alignment between the partner agencies are planned for this year including:

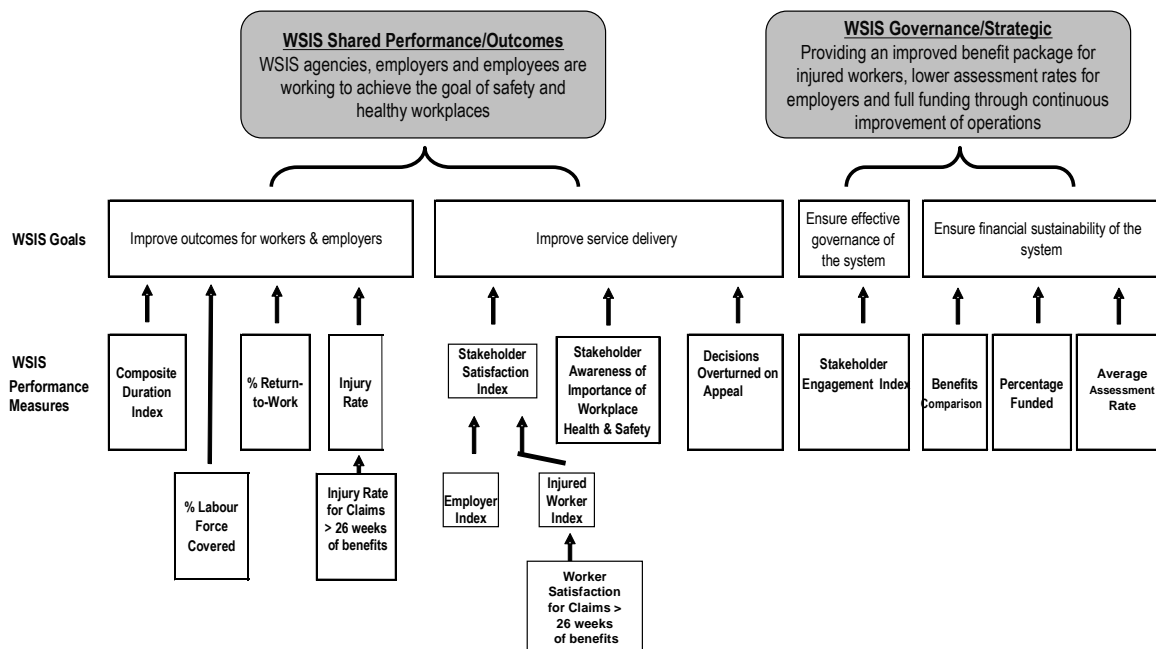
1. Collaboration between the WCB, LAE and stakeholders to continue implementation of the *2013-2017 Workplace Safety Strategy for Nova Scotians*;
2. Education and Outreach is a new area for the Safety Branch at the Department of Labour and Advanced Education. Over the coming months the department will be reaching out to talk to stakeholders and others as the department builds upon existing initiatives and look to get more information to help ensure a safe workplace for all; and
3. Finalize WCB strategic Plan 2016-2020

These initiatives, plus the ongoing collaboration amongst agency partners and stakeholders, will continue to define the success of the Workplace Safety and Insurance System going forward.

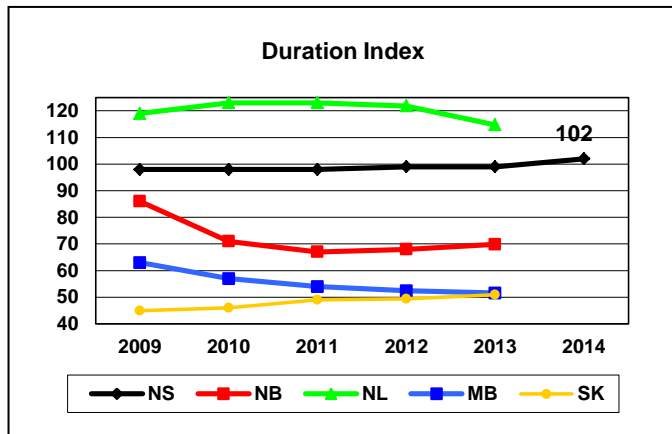
# APPENDIX A: WORKPLACE SAFETY AND INSURANCE SYSTEM – PERFORMANCE MEASUREMENT RESULTS 2014

## WSIS Performance Measures

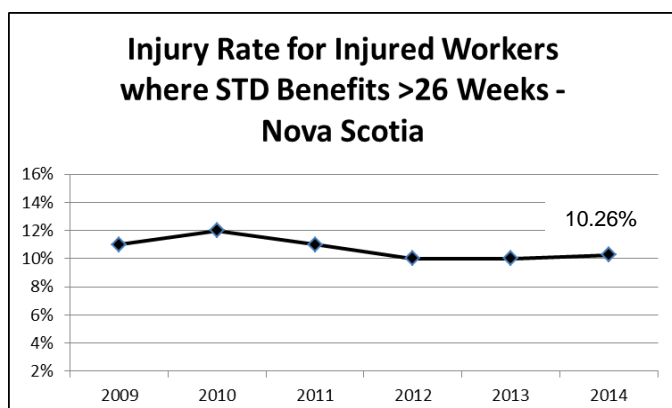
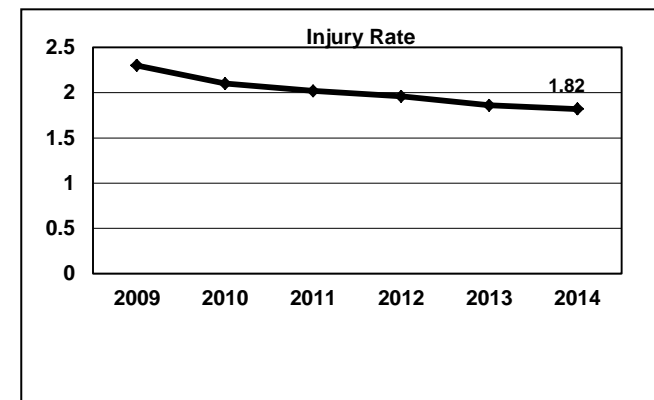
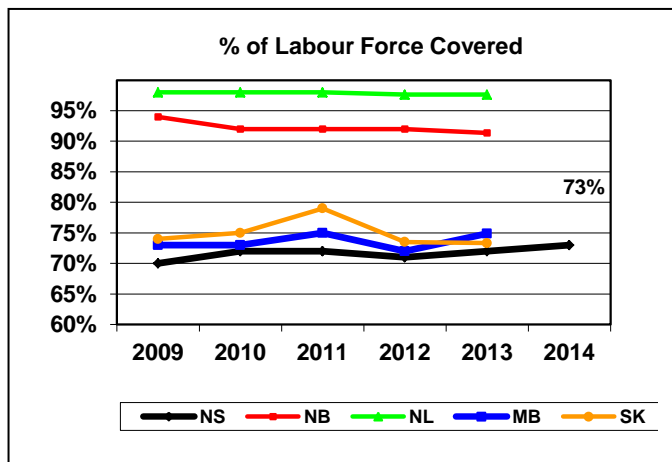
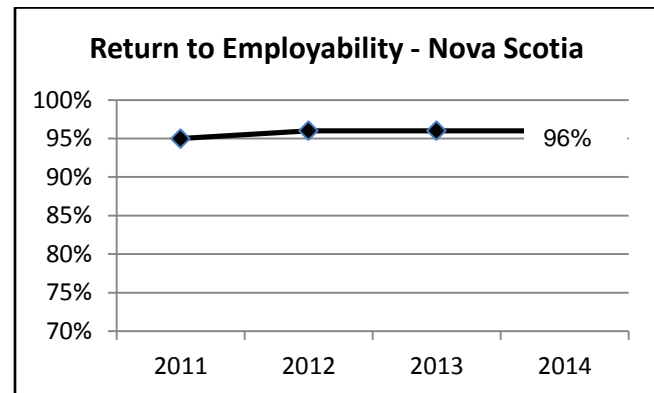
When agency partners and stakeholders first came together in 2005 to officially form the WSIS, there was a desire to create a basket of performance measures that could be used to measure the outcomes of the System. For the most part the measures were already in existence and collected by individual agencies. In the spirit of WSIS, agencies and stakeholders grouped the measures that correspond to the System's goals. The chart below depicts the groupings that existed at that time.



## Goal #1 - Improve Outcomes for Workers and Employers



Improving outcomes for workers and employers is the System's first goal.



\*Return to Employability is a new measure as of 2011.  
% Return to Work is no longer measured.

In 2014, Nova Scotia's injury rate – the number of workers who suffer a time-loss injury per 100 of those covered – dropped to its lowest recorded level at 1.82. This result makes a favourable contribution to momentum that has been building for the past nine years, culminating in a 35 percent decline in time-loss claims since 2005.

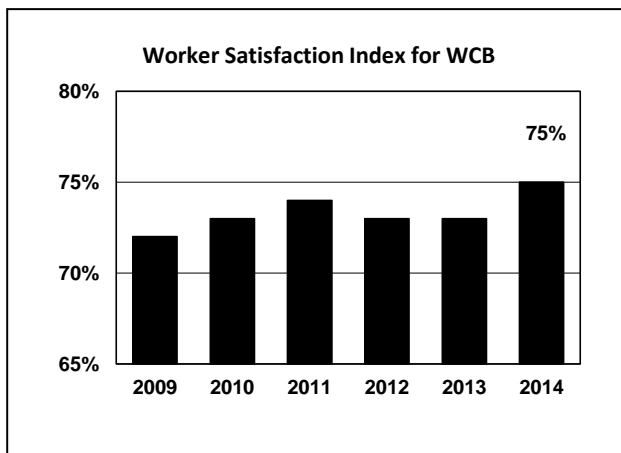
The total number of time-loss claims in 2014 is 5,953, a decrease from the 2013 total of 6,034.

Health/Social Services is the largest industry sector in the province and accounts for the highest volume of time-loss claims at 1,586 in 2014.

4 out of 5 of the largest industries in the province saw drops in their injury rate in 2014 from 2013.

In 2014, there were 1,524 appeals in Internal Appeals, a 9 per cent decrease from the 1,671 appeals received in 2013.

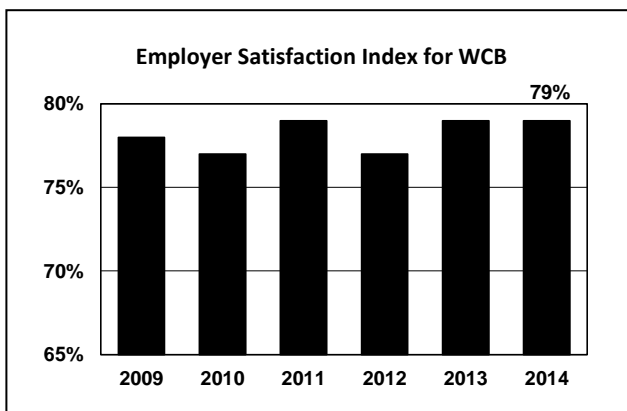
## Goal # 2 - Improve Service Delivery



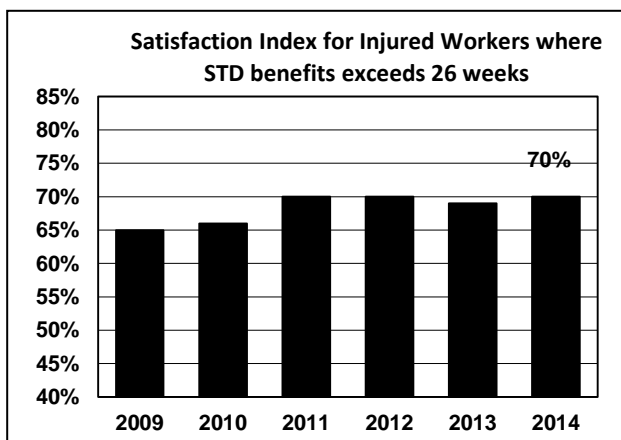
The Stakeholder Satisfaction Indices provide an overall rating of satisfaction with services provided by System agencies.

This multiple measure approach provides a more comprehensive reporting of overall stakeholder satisfaction.

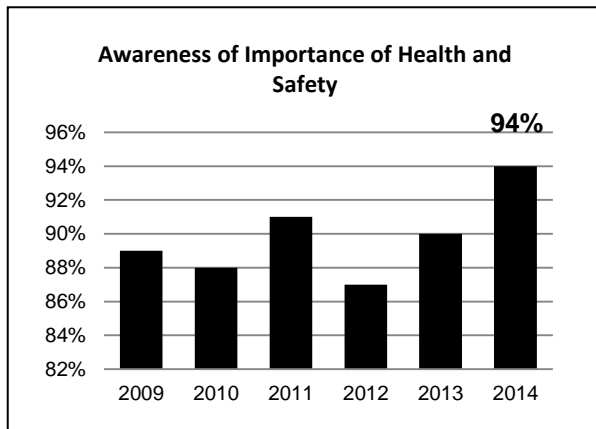
Both injured worker and employer satisfaction with WCB service remains high with both indices above target in 2014.



Satisfaction with services provided by the Workers' Advisers Program is also very favourable with 94.7% of clients indicating they are satisfied with WAPs services.







Awareness of the importance of health and safety in workplaces is a measure that reflects the important work agencies and stakeholders alike undertake to promote awareness of health and safety as an important issue. In 2014, 94% of survey respondents indicated that health and safety is critically important or important.

Year	WCB - Claims		WCB – Internal Appeals			WCAT			NS Court of Appeal
	Received	Timeloss	Received	Decisions	Allowed/ Allowed in part	Received	Decisions	Allowed/ Allowed in part	
<b>2014</b>	24,974	5,953	1,524	1,482	308 (21%)	740	582	270 (46%)	9
<b>2013</b>	25,050	6,034	1,670	1,392	309 (22%)	774	655	308 (47%)	9
<b>2012</b>	26,422	6,341	1,937	1,536	405 (26%)	777	710	321 (45%)	15
<b>2011</b>	27,786	6,616	1,926	1,784	390 (22%)	827	670	285 (42%)	15
<b>2010</b>	28,002	6,921	1,852	1,452	470 (32%)	809	653	275 (42%)	13

The number of appeals received at the WCB Internal Appeals has decreased the last two years by 21% and the number of appeals allowed or allowed in part has decreased as well.

In 2014, appeals at WCAT decreased by 4% since 2013 and 10.5% since 2011. Overturn rates decreased slightly to 46% in 2014.

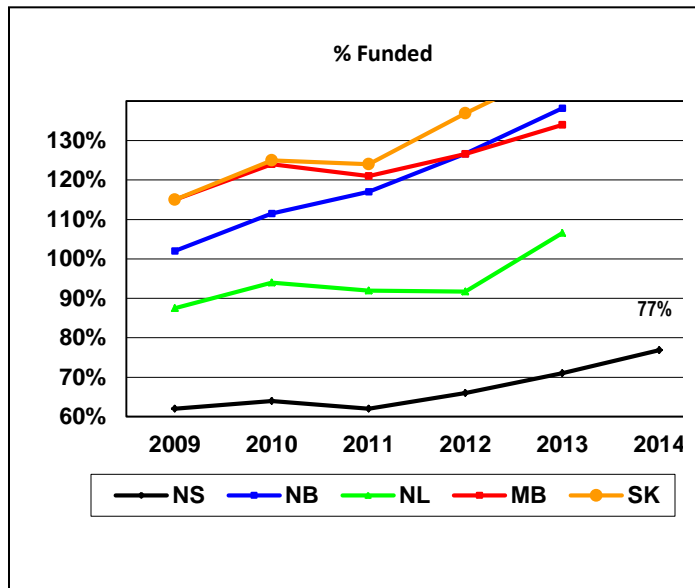
Appeals at the Nova Scotia Court of Appeal remained constant in 2014 with 9 cases before the Court.

### **Goal #3 - Ensure Effective Governance of the WSIS**

The Workplace Safety and Insurance System is designed to serve the needs of the employers and workers. The concept of governance, as it applies to the System, refers to the structure, processes and accountability mechanisms in place to ensure that the System effectively fulfills its mandate.

The System Coordinating Committee, which is the Deputy Minister, Labour and Advanced Education and the Chair, Board of Directors, Workers' Compensation Board, meet regularly with the Heads of Agencies Committee, comprised of the administrative heads of the agencies (WAP, WCAT, WCB, OH&S). These committees oversee the day-to-day implementation of the System

## Goal #4- Ensure Financial Sustainability of the System

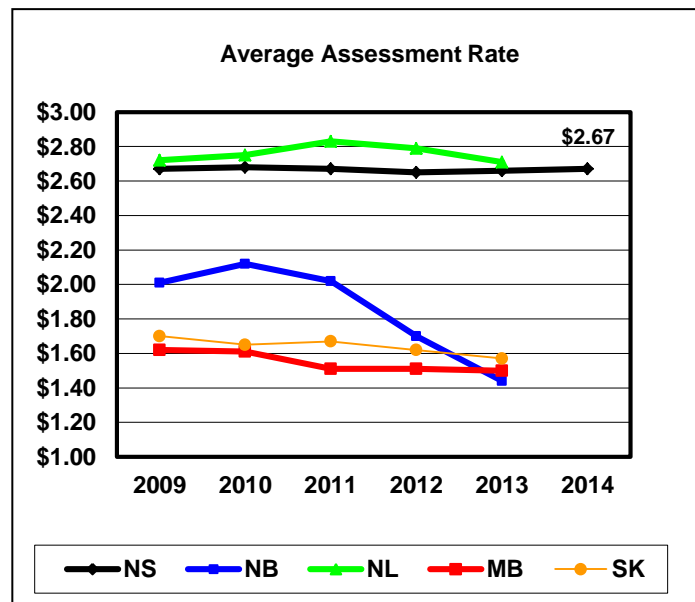


Financial stability of the System is linked to a number of factors – the number of people who get hurt on the job, how long they are off the job and in receipt of benefits, and investment returns.

The System has much more direct influence on some of these factors than others.

Last year there was also progress in moving the System closer to financial sustainability. For the third consecutive year, the WCB is reporting a total comprehensive income that moves us closer to retiring the unfunded liability - \$97.8 million for 2014. The System is now 76.9 per cent funded and the funding strategy indicates that we should reach full funding between 2019 and 2023.

While this is positive, it is important to keep in mind that Nova Scotia continues to be among the worst funded systems in Canada. All other provinces, other than Ontario – which is in a lower funded position than Nova Scotia – are fully funded.



In 2014, the average assessment rate remained relatively stable at \$2.67 per \$100 of payroll.

When contrasted to other jurisdictions, Nova Scotia's benefits remain comparable to other jurisdictions (see table on page 18).

## Comparison of Compensation Benefits

Index Area	NS	NB	NL	MB	SK
Component	Description	Description	Description	Description	Description
Waiting period	2/5ths	3/5ths	No	No	No
CPP offset for earnings loss benefit	Yes, 50% is offset	Yes, 50% is offset	Yes, 75% of net CPP benefits is offset	Yes, 100% offset	Yes, after 12 months of loss of earnings capacity, 50%
Percentage of earnings covered: Long-term	85% of net	85% loss of earnings	80% of net	90% of net	90% of net
Fatal benefits other than pensions - immediate lump sum	\$15,000 at date of death	An amount equal to 50% of the New Brunswick Industrial Aggregate Earnings 2014: \$20,021	\$15,000 or 26 times the worker's average weekly net earnings at time of injury, whichever is greater	\$74,960	None
Maximum Earnings Covered (2014)	\$56,000	\$60,100	\$60,760	No maximum	\$59,000
Average New Impairment Award (2014)	8.84%	8.7%	14.09%	5.7%	9.12%
Annuity	Yes, 5% extended earnings replacement benefit	Yes, 10% extended earnings replacement benefit	Worker paid a pension replacement benefit at age 65 if loss of a pension benefit due to compensable injury can be proven.	Yes, 10% extended earnings replacement benefit	Yes, 10% extended earnings replacement benefit
CPI Index or AIW index	Yes, 1/2 of CPI	Yes, 100% of CPI	Yes, 100% of CPI	Yes, AIW	Yes, 100% of CPI
Supplementary Benefits	Yes	No	No	No	No