



**EMPLOYERS'
ADVOCACY COUNCIL**

**CONSULTATION PROCESS
WITH
STEVEN MAHONEY, CHAIR OF WSIB**

March 12, 2009

EAC Consultation Participants:

Harding, Jim – Hydro One

Roper, Steve – Magna International

Tompkins, Alan – Dare Foods Limited

Williams, Ian – Metals Service Center Institute

Spiro, Fred – Employers' Advocacy Council

EMPLOYERS' ADVOCACY COUNCIL

The Hon. Steven Mahoney, Chair, Workplace Safety & Insurance Board

Thursday, March 12, 2009

On behalf of the Employers' Advocacy Council (EAC) and its 400 plus members, I would like to thank you Mr. Chair for taking the time to meet with us today.

The EAC and its members are very aware of the economic challenges and opportunities facing the WSIB. To this end, the goal of this evaluation will be to continue building a foundation for a sustainable workplace health and safety insurance system for Ontario; to ensure a WSIB that will serve generations to come as we move forward along the Road to Zero.

The EAC approach to this process was twofold:

- Input was solicited and feedback received from the membership base
- A committee was formed to review and prioritize the issues and results

Mr. Chair, in reference to your letter to all key stakeholders dated January 30, 2009, EAC is fully committed to actively engaging our members in open and frank communications with regards to the financial and legislative framework within which the WSIB operates. That said, we have outlined our recommendations below to not only include the suggested **Financial and Legislative** elements but also, to include a new element of **Communication and Consultation**; EAC and its members believe that the foundation for success between WSIB, key stakeholders and Employers begins at the top.

Communication and Consultation:

EAC believes that despite good intentions, the WSIB does not engage Ontario's Employers in a meaningful and consultative process.

It has become apparent that the consultation process begins once decisions have already been made and the process itself amounts to nothing other than a sharing of information. **The following WSIB issues are examples of lack of consultation:**

- New Service Delivery model
- Disability Prevention Branch
- Certification Review Process
- Health and Safety Association (HSA's) Realignment
- High/Medium Risk Calculation
- Fatality Policy

Recommendations:

- 1) Establishment of a policy/standard to specifically address the issue of consultation with stakeholders
- 2) Better outreach by WSIB to the medical community ensuring better understanding and acceptance of the insurance process at WSIB.

Legislative Framework:

EAC believes that the WSIB legislative framework requires a more aggressive and focused approach in order to provide a fair and equitable system.

Indexation benefits introduced through the Provincial budget represent a huge burden to the insurance scheme funded by employers.

Early and Safe Return to Work (ESRTW) policies have been drafted/ready for the past 2 years. Once introduced we believe it will impact negatively on the system.

It is apparent that with the introduction of the Labour Market Re-Entry (LMR) program with approximately 5,000 cases per year and the outsourced service providers, that WSIB has not been deriving the intended achievement results.

Second Injury Enhancement Fund (SIEF) costs have escalated drastically over the past number of years. Ontario at 32% total cost, BC 11%, and Alberta 4%.

The Prevention branch, particularly Workwell, needs to be at arm's length of WSIB in order to provide a non-biased result based on a credible risk assessment.

Data mining of the WSIB database and reporting electronically are two issues that would benefit employers in information gathering and ease of filing.

Recommendations:

- 1) With the HSA's realignment, this is an opportunity for WSIB to assess the prevention division and its functions, does it fit within WSIB or should it be at arm's length including Workwell.
- 2) The SIEF claims adjudication decision making process is mired with inconsistencies, needs to be tightened and individuals need to be held accountable.
- 3) Develop a universal system for data mining that is easily accessible and user friendly.
- 4) The WSIB needs to evaluate the success or lack of the LMR program, followed by a decision to ensure the successful intent of this program.

Financial Framework:

EAC and its members are alarmed at the financial state of the WSIB, particularly since it is solely the responsibility of the Employers of Ontario.

While the injury rates of Ontario workers have dropped by 25% over the past five years, the cost (persistence) continues to climb at an alarming pace.

The level of benefits provided are amongst the highest in Canada while the premiums are also second highest nationally, making Ontario a difficult choice for companies to do business.

The unfunded liability for WSIB as we understand, presently is somewhere between \$11-13 billion.

Recommendations:

- 1) An aggressive cost containment strategy dealing with benefits needs to be introduced to address topics such as, narcotic prescriptions up over 25% last 3 years, claim re-occurrence up by 33% last 3 years, chronic pain claims up by 53% last 8 years...etc.
- 2) Consider bringing benefit levels consistent with other jurisdictions.
- 3) Extend coverage to include banks, insurance companies.
- 4) Today's economic conditions require the WSIB to consider rightsizing which is no different from the clients they serve. Cost cutting measures must be addressed, measured and adhered to.

In closing, EAC and its members would like to thank you for your commitment and dedication to the **Road to Zero**. This can only be accomplished by addressing and dealing with the tough decisions which are made daily by the private industries we serve. I encourage WSIB to use the same lens in analyzing and addressing the issues presented today.

I will commit on behalf of EAC to continue our constructive input and co-operation with WSIB under your leadership, and look forward to further engagement in our mutual quest to ensure that Ontario's workplace health and safety system is vibrant, relevant, responsive and accountable.

Respectfully Yours;

Fred Spiro
Executive Director
Employers' Advocacy Council