

2019

WSIS

Workplace Safety
and Insurance System

Year-End Report

SEPTEMBER 2020

Working together to build a safety culture

Nova Scotia's Workplace Safety and Insurance System

The Workplace Safety and Insurance System (WSIS) includes workers, employers, agencies—Workers' Advisers Program (WAP), Workers' Compensation Appeals Tribunal (WCAT), Occupational Health and Safety (OHS) and the Workers' Compensation Board of Nova Scotia (WCB)—and others who provide services in the System.

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

This report presents key outcomes for 2019 related to the WSIS strategic goals, which include:

- Improving outcomes for workers and employers;
- Improving service delivery
- Ensuring the financial stability of the System

This report is delivered at a time when safety at work means something different than it did a year ago. Ever since the COVID 19 world-wide pandemic led to the declaration of a State of Emergency in March 2020, the WSIS partners have pivoted to address immediate workplace safety needs in Nova Scotia.

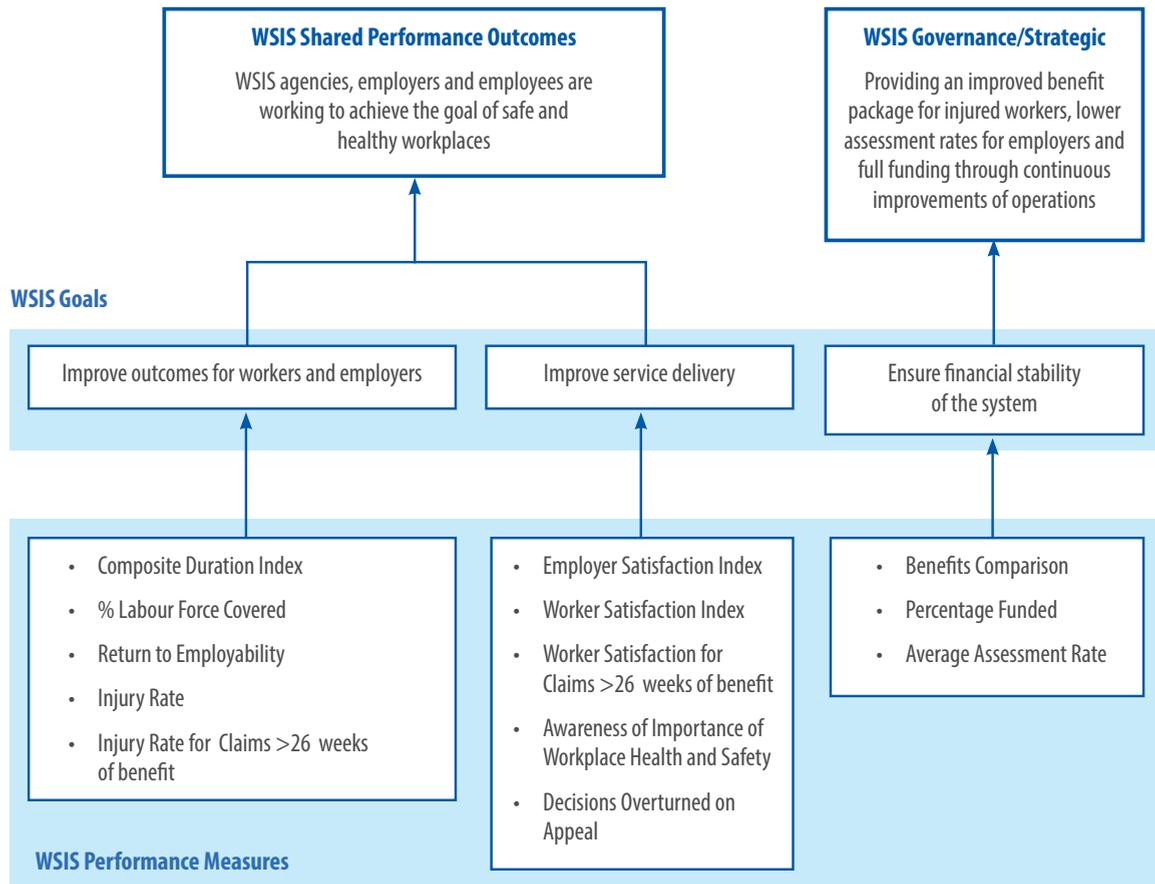
We're working together differently to support workers and employers and to help them address the impact. That work, individually and collectively, has included delivering service remotely, deferring WCB payments, developing new COVID 19 social marketing resources, working with industry to support reopening plans, and applying COVID 19 claim costs across the whole System rather than to individual workplaces.

This year's WSIS Annual Meeting, where progress on System goals will be highlighted, will be delivered online for the very first time. We expect this will be one of many firsts, as we emerge from the pandemic. While many challenges lie ahead, we will continue to look for opportunities to leverage new technology to inform and improve our work, to adapt new modes of communication and service delivery to ensure the WSIS continues to meet its goals and objectives, and to engage more Nova Scotians as we plan for the future.

WSIS Performance Measures

When agency partners and stakeholders came together in 2005 to officially form the WSIS, we established a set of performance measures to track outcomes that correspond to the System's goals. The chart below depicts the alignment that was adopted.

WSIS Performance Measures



System Performance

The Workplace Safety and Insurance System Scorecard with performance results relative to each goal is shown in the table below. Our 2019 Performance Results continue to reflect our work of building a strong workplace safety culture and a stable, and sustainable System that will serve workers and employers today and in the years to come. The performance results enable partners and stakeholders to gauge the health of the System, and to measure progress on our goals.

TABLE 1 – 2019 WORKPLACE SAFETY AND INSURANCE SYSTEM SCORECARD

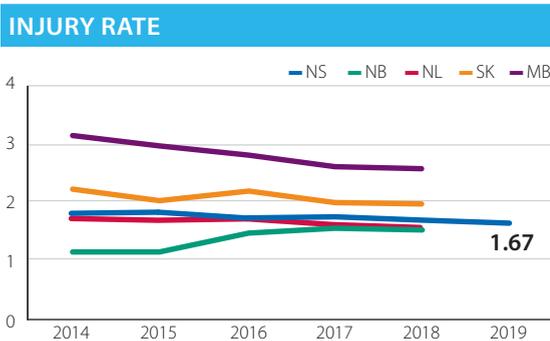
Measures	2019	2018
Outcomes for Workers and Employers		
Composite Duration Index	147	127
% Labour Force Covered	73%	74%
% Return To Employability	95%	93.8%
Injury Rate	1.67	1.72
* Injury Rate, Claims > 26 Weeks*	14.0%	13.0%
Service Delivery		
Injured Worker Satisfaction Index for WCB	73%	75%
Employer Satisfaction Index for WCB	81%	81%
Workers' Advisers Program Client Satisfaction	97.2%	95%
Injured Worker Satisfaction, claims > 26 weeks	68%	72%
Awareness of Importance of Workplace Health & Safety	93%	87%
Decisions allowed or allowed in part (WCAT)	45%	40%
Financial Sustainability		
% Funded	96.5%	85.5%
Average Assessment Rate (Actual)	\$2.66	\$2.64

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

A comparison of Nova Scotia's results relative to other similar jurisdictions in terms of size and industrial mix, helps to clarify our performance. The following charts show WSIS (Nova Scotia) performance measures and results relative to those available for New Brunswick, Newfoundland, Manitoba and Saskatchewan.

Injury Rate

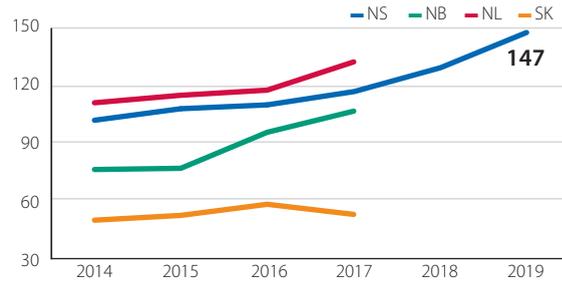
The *injury rate* is a measure of the number of time-loss claims per 100 covered workers. In 2019, the *injury rate* continued its long-term downward trend, dropping to 1.67 from 1.72 in 2018, a 2.9 percent reduction, and a new low for this measure of workplace injury's impact. Compared to similar-sized jurisdictions, Nova Scotia's result is among the best in Canada.



Composite Duration Index

Despite our positive achievements with workplace injury prevention, we still have work to do to address increasing claim duration, and to help injured workers return to work in a safe and timely manner. In 2019, the *composite duration index*, a measure of how long workers are off the job due to injury increased to 147 days from 127 days in 2018.

COMPOSITE DURATION INDEX

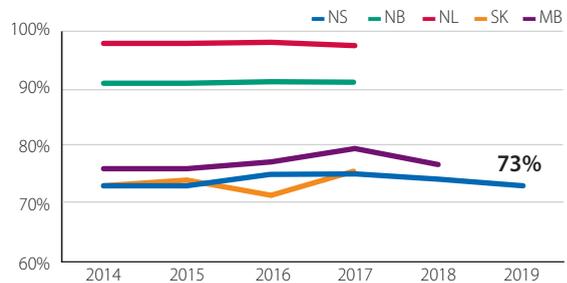


Note: After 2017, data unavailable for other jurisdictions.

Percent of Labour Force Covered

In 2019, the *percent of the labour force covered* in Nova Scotia dropped slightly to 73 percent from 74 percent in 2018. Compared to other jurisdictions, Nova Scotia's workforce coverage percentage is lower, as workers' compensation coverage for workplaces with fewer than three workers, and many typically low-risk occupations, is voluntary. While some uncovered workplaces provide private insurance, there are still thousands of workers in Nova Scotia who have no injury insurance coverage at all. As the system approaches full funding, system partners are talking to workers and employers in uncovered sectors, to better understand the impact of workplace injury, and how the system may evolve to protect more workers in the years to come.

% OF LABOUR FORCE COVERED

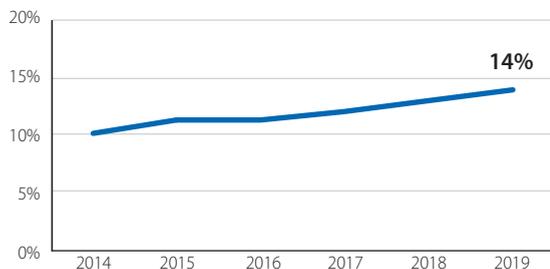


Note: 2018 data unavailable for other jurisdictions.

Injury rate >26 weeks

The *injury rate related to claims that require benefits for a period longer than 26 weeks* increased to 14 percent in 2019, up from 13 percent in 2018.

INJURY RATE FOR INJURED WORKERS WHERE STD BENEFITS > 26 WEEKS – NOVA SCOTIA

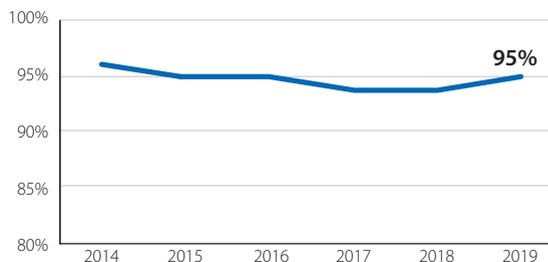


Note: Other jurisdictions do not track this performance measure.

Return to Employability

In 2019, we saw improvement in our *return to employability* measure, the percentage of workers returning to work at pre-injury income levels. While this outcome is positive, it was due in part to a change in the timing of long-term disability awards which were awarded at a slower rate during the year.

RETURN TO EMPLOYABILITY – NOVA SCOTIA



Note: Other jurisdictions do not track this performance measure.

SYSTEM GOAL – Improve Outcomes for Workers and Employers

In 2019, the System partners continued to support all industry sectors to improve injury prevention and return to work outcomes for workers and employers. The provincial injury rate, a primary indicator of progress toward this goal, dropped to 1.67 time loss injuries per 100 covered workers, the lowest level on record.

Five of the six largest industry sectors in Nova Scotia (based on assessable payroll) showed improvements in injury frequency compared to 2018. Improvements in Health/Social Services, Manufacturing, Construction, Wholesale Trade, and Accommodation/ Food/ Beverage reflect efforts to prevent injuries, support safe and timely return to work, and build a stronger safety culture.

Despite continued progress, 2019 was a tragic year too. Twenty two Nova Scotians died at work: 12 deaths were caused by traumatic injuries at a workplace, five were caused by past workplace exposures, and five were caused by other health issues not necessarily connected to the workplace, such as heart attacks. Regardless of the cause, System partners and stakeholders must continue to focus on ensuring every Nova Scotian is safe at work.

Another concern is the amount of time it takes for workers to return to work after a workplace injury. The length of an average claim and the percentage of claims that require more than 26 weeks of short-term disability benefits increased in 2019 due to a number of factors. We continue to see the impact of increasingly complex injuries with mental health challenges playing an ever-increasing role. Nova Scotia's aging population is also factor in higher claim durations, and there were also some service delays in the early days of adapting to new claims and assessment systems. There is much room for improvement when it comes to shortening the duration of our claims. We need the full commitment from all WSIS partners, workplaces, medical professionals and stakeholders to reverse this trend and improve Nova Scotia's return to work outcomes.

In 2019, there were fewer workers in receipt of long-term disability benefits resulting in lower long-term disability costs. The challenges of adapting to new business systems contributed to slower claims processing, and both the number of long-term disability awards and associated costs are expected to increase in 2020.

Initiatives

System partners are working together on a number of initiatives to positively impact workplace health and safety outcomes in Nova Scotia.

BUILDING SAFETY CULTURE IN NOVA SCOTIA

The WCB and the Department of Labour and Advanced Education continue to work together to deliver Joint Workplace Initiatives (JWI), to help employers in various sectors build a safety culture that results in fewer injuries and lower injury durations. The JWI approach combines and applies the resources and talents of both organizations to achieve improved and sustainable health and safety outcomes.

ADAPTING TO A NEW SOFTWARE SYSTEM

The cloud-based Guidewire software platform was activated in June of 2019 and is now powering the WCB's claims and assessment systems. The activation was a significant milestone in the WCB's five-year business transformation plan, and also marked the start of a period of adjustment, as WCB employees and stakeholders adapted to using the new systems to serve workers and employers.

Guidewire will enable further service enhancements in future, and has already expedited some claims administration processes. These new systems will provide the foundation for more innovation in the years to come, as organizations within the WSIS pivot and evolve to meet the changing needs and expectations of those we serve.

OCCUPATIONAL HEALTH AND SAFETY ADVISORY COUNCIL UPDATE

The Occupational Health and Safety Advisory Council (*the Council*) was created to advise the Minister on:

- Administration of the Act and Regulations;
- Occupational Health and Safety, including providing recommendations, giving advice and monitoring and reporting on Occupational Health and Safety throughout the province; and,
- other Occupational Health and Safety related matters.

In 2019, (its second full year as the re-established Council) the Council has continued to work through the priority list areas for Occupational Health and Safety provided by the Minister in 2018:

1. Psychological health (Report completed and submitted to Department of Labour and Advanced Education October 2018).
2. Occupational Health.
3. Occupational Health and Safety Training.

CONTINUED SUPPORT FOR IMPROVED HEALTH AND SAFETY OUTCOMES IN HEALTH CARE

The WCB and LAE continued to work with AwareNS in 2019 to implement some of the foundational elements of *Charting the Course: A plan for Workplace Safety in Nova Scotia's Home Care, Long Term care, and Disability Service Sectors*.

The Safe Handling and Mobility training program was among the first of the recommended initiatives to be rolled out to workers. By the end of 2019, nearly 20 per cent of the health and social services workforce had access to the training—including all home care employers, and half of all long-term care workplaces. Government also announced additional funding for safety equipment in the long-term care and home care sectors. Overall, the pieces are in place to establish a path for improvement in this sector.

SOCIAL MARKETING

The WCB and the Nova Scotia Department of Labour and Advanced Education continued to leverage the “Injury hurts the most at home” awareness campaign. In 2019 the partners introduced new workplace and work floor campaign tools and resources designed to reach specific high-risk sectors and emphasize the importance of workplace safety, while highlighting the connection between safety at work, families, and communities.

SUPPORTING FIRST RESPONDERS

The WCB is working with the first responder community to address resource gaps identified by stakeholders during consultations for the PTSD regulations that came into effect in the fall of 2019. The initiative is being led by a Steering Committee of volunteers from across the first responder community, and will provide tools and resources, including a dedicated website and workplace materials, designed to help first responders assess and maintain their mental health throughout their careers. LAE is participating as part of the Steering Committee.

IMPROVING APPEALS EFFICIENCY

The Appeals Efficiency Improvement Committee, made up of representatives from each of the WSIS partners, developed a Request for Proposal package to identify a vendor to carry out a review of the Appeals system and make recommendations to reduce the time it takes to make and implement appeal decisions. In 2019 the Committee also explored medical requests on appeal files and the impact on timeliness.

WCB IS WORKING WITH THE

**FIRST
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SYSTEM GOAL – Improve Service Delivery

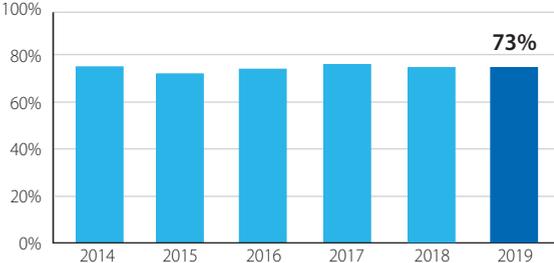
The Stakeholder Satisfaction Indices, established through quarterly worker and employer satisfaction surveys, provide an overall rating of satisfaction with services provided by the WCB.

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

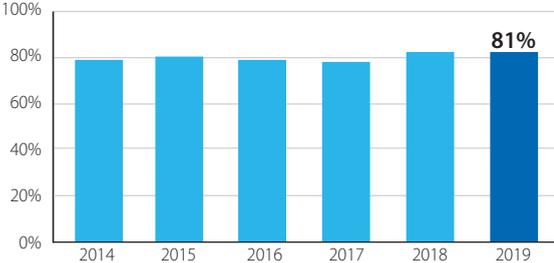
The 2019 target for both worker and employer satisfaction was 70 percent. Actual results for both measures were above target.

We note, however, that the 2019 injured worker and employer satisfaction indices results are the average of 3 quarters' results. Surveys were not conducted in Q3 as the source data was temporarily unavailable during the initial months of the Guidewire transition.

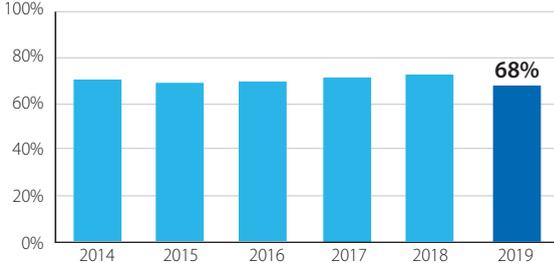
WORKER SATISFACTION INDEX FOR WCB



EMPLOYER SATISFACTION INDEX FOR WCB

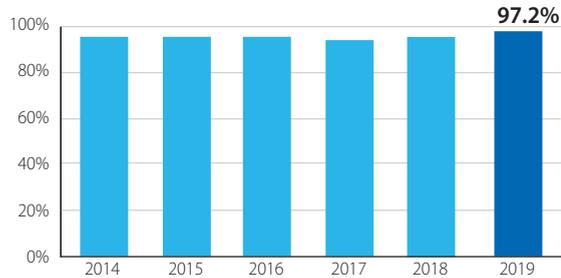


SATISFACTION INDEX FOR INJURED WORKERS WHERE STD BENEFITS EXCEED 26 WEEKS



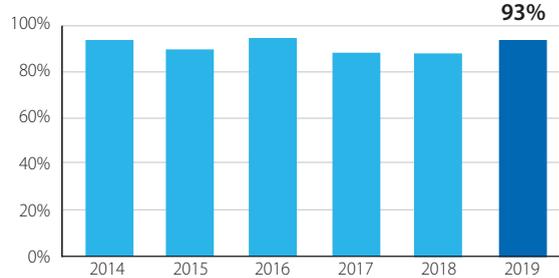
Satisfaction with services provided by the Workers' Advisers Program (WAP) is also favourable with 97.2 percent of clients indicating they are satisfied with the WAP's services.

SATISFACTION WITH SERVICES PROVIDED BY THE WORKERS' ADVISERS PROGRAM



In 2019, 93 percent of survey respondents indicated that health and safety is critically important or important, a seven percent increase from the past two years.

AWARENESS OF IMPORTANCE OF HEALTH AND SAFETY



IN 2019, **93 PERCENT** OF SURVEY RESPONDENTS INDICATED THAT **HEALTH AND SAFETY IS CRITICALLY IMPORTANT OR IMPORTANT.**

Initiatives

The Nova Scotia Department of Labour's Safety Branch promotes compliance and builds safety culture through education, collaboration, engagement and where necessary, enforcement. This approach helps build awareness and understanding to ensure safety is valued and prioritized in Nova Scotia.

In 2019, the following key initiatives were advanced to enhance service delivery within the System:

EXPANDING WCB COVERAGE TO VOLUNTEER FIRE FIGHTERS

In October the Government of Nova Scotia amended the Workers' Compensation Act to ensure all volunteer fire fighters have access to WCB coverage, including cancer and PTSD presumption. The amendment included expanding the definition of fire fighter within the Act to include Federal Fire Fighters, and extending access to cancer presumption for these first responders. A further change will allow any future expansion of presumption to be made through regulation.

EXPANDING THE LIST OF CANCERS UNDER THE PRESUMPTION BENEFIT FOR FIRE FIGHTERS

With all fire fighters able to access coverage including presumption for PTSD and cancers, the Department of Labour and Advanced Education began to consult with stakeholders on expanding the list of presumptive cancers. The first phase of consultation began in the fall of 2019, and continued during the spring and summer of 2020. The second phase will report back to stakeholders on the feedback collected.

WCB Nova Scotia continued to move forward with initiatives aimed at improving service and timeliness for workers, employers and service providers across the province. Key initiatives in 2019 included:

WCB MODERNIZATION

2019 marked the fourth year and most ambitious phase of the WCB's five-year modernization, with activation of the new Guidewire-powered claims and assessment systems taking place in June. Work also continued on evolving and improving the knowledge and competencies of our workforce, and toward the launch of an updated MyAccount online platform for employers that has enabled new digital services, including proof of contractor Clearance.

AUDITOR GENERAL'S REPORT

The second phase of the Auditor General's audit of WCB operations that began in 2018 was completed and reported in May of 2019. All of the recommendations from the first phase related to governance have been implemented. Implementation of the recommendations from phase two, which focused on claims administration, is underway and will be completed in 2021.

APPEALS

The quality of service provided by System partners is also measured by the number of decisions overturned through appeals.

The number of appeals per year received by WCB Internal Appeals has decreased by 32 percent from 2014 to 2019. Over that period there was a decrease in the number of decisions rendered, which led to a commensurate decrease in the number of appeals received at the Workers' Compensation Appeals Tribunal (WCAT).

There were 70 appeals to the Nova Scotia Court of Appeal from 2014 to 2019, with 6 new appeals opened in 2019, compared to 15 in 2018. Another 1 file was closed during the year; none were discontinued, with no denials or dismissals, and 1 was returned to WCB/WCAT by consent.

TABLE 2 – SYSTEM APPEALS, 2014 TO 2019

Year	WCB – Claims		WCB – Internal Appeals			WCAT			NS Court of Appeal
	Received	Time Loss	Received	Decisions	Allowed/ Allowed in part	Received	Decisions	Allowed/ Allowed in part	
2019	25,183	5,663	1,134	1,184	286 (24%)	593	461	207 (44.9%)	6
2018	24,584	5,819	1,354	968	191 (20%)	553	528	209 (40%)	15
2017	23,952	5,906	1,418	1,139	198 (14%)	744	526	253 (48%)	12
2016	24,311	5,847	1,450	1,080	182 (17%)	639	519	267 (51%)	14
2015	23,933	6,014	1,313	1,119	259 (23%)	720	587	250 (43%)	14
2014	24,505	5,953	1,524	1,482	308 (21%)	740	582	270 (46%)	9

SYSTEM GOAL – Ensure Financial Sustainability of the System

Financial stability of the Workplace Safety and Insurance System is linked to a number of factors—the number of people injured on the job; how long they are in receipt of benefits; investment returns, and the health of the Nova Scotia economy. The four System partners have more direct influence on some of these stability factors than they do on others.

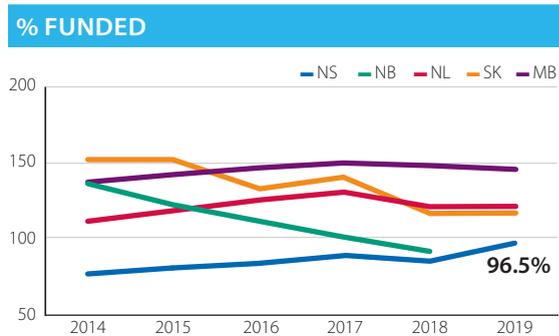
In 2019, the System moved closer to eliminating the unfunded liability—the shortfall between invested funds and liabilities. As of December 31, 2019, the System funded ratio reached 96.5 percent.

Like other funds, with the current economic climate as a result of COVID-19, we are seeing a reduction in investment returns and economic activity which could have a significant impact on the funded ratio in 2020. At the same time, the investment portfolio is well positioned for recovery given the diversification of the fund.

Our long-term progress in reaching financial sustainability has been the product of smart investment management, good governance, and a determined effort to reduce the costs of workplace injury in Nova Scotia. These principles will continue to guide us in the future as we move toward eliminating that liability and a long-term view of what a fully funded System looks like.

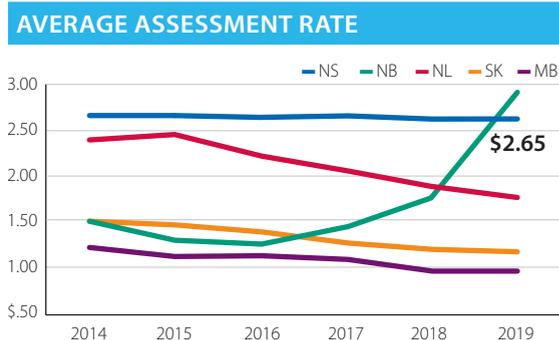
In early 2020 we began conversations with stakeholders about the impact of providing WCB coverage for the province's most vulnerable workers, many of whom have no workplace safety insurance coverage at all.

While these conversations were paused due to the COVID-19 pandemic, stakeholder support for making workplace coverage available for these workers, and for making the System more equitable for all working Nova Scotians, was very strong.



Note: 2019 data unavailable for New Brunswick

The funded percentage refers to the degree to which all benefit commitments made into the future are covered by the WCB's current assets.



The average actual assessment rate is the average rate required to fund the System. In 2019, the actual average assessment rate was slightly above the targeted rate of \$2.65.

When compared to other jurisdictions, Nova Scotia's benefits regime is lower, as shown in the table below.

TABLE 3 – COMPARISON OF COMPENSATION BENEFITS, SELECTED CANADIAN JURISDICTIONS

Index Area	NS	NB	NL	MB	SK
Percentage of the Workforce Covered (2019)	73%	91%	97%	79%	76%
Waiting period	2/5ths of work week	3/5ths of work week	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
Fatality 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 2015: \$20,307.50	\$15,000 or 26 times the worker's average weekly net earnings at time of injury, whichever is greater	\$76,530	None
Maximum Earnings Covered (2018)	\$59,800	\$63,600	\$64,375	\$127,000	\$82,627
Annuity	Yes, 5% of extended earnings replacement benefit is set aside for annuity	Yes, 10% of 'long term earning loss' benefit is set aside for annuity	Worker paid a pension replacement benefit at age 65 if loss of a pension benefit due to compensable injury can be proven.	Yes, up to 7% of 'long term earning loss' benefit is set aside for annuity	Yes, 10% of 'long term earning loss' benefit is set aside for annuity
CPI Index or AIW index	Yes, 50% of CPI	Yes, 100% of CPI	Yes, 100% of CPI	Yes, AIW	Yes, 100% of CPI
Supplementary Benefits	Yes, for claims prior to 1990	No	No	No	No

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