

Workplace Safety and Insurance System Strategic Plan

April 2007

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INTRODUCTION

Nova Scotia's Workplace Safety and Insurance System (WSIS) is a collaboration of government, agencies, advisory councils, working groups and those that the System serves - workers and employers (see Appendix A).

Our *mission*:

Working 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.

In 2003, stakeholders collaboratively developed a five-year System strategic plan (2004 – 2008). As we approach the end of that original plan, it is time to look forward to the next five years and beyond.

This document identifies ***where we are today*** (the current state of the System), ***where we are going*** (our vision, goals and priorities) and ***how we will get there*** (strategy and plans).

WHERE WE ARE TODAY

Historical performance...

While outcomes have improved over the past few years, there is still much work to be done. A comprehensive look at WSIS historical performance can be referenced in the 2006 WSIS Year-End Report. A few indicators of particular note:

- ***Return-to-Work at 100% Pre-Injury Earnings*** – Since 2002 outcomes are 92% or higher; at year-end 2006, return-to-work at 100% pre-injury earnings is 93%;
- ***Injury Rate*** – Nova Scotia's injury rate is showing improvement with a 7% decrease, 2006 over 2005; however, it is still too high – one of the highest in the country at 2.66 injuries per 100 employees at year-end 2006;
- ***Duration*** – A decrease in durations 2006 over 2005 resulted in 140,000 less time-loss days in 2006 and \$4.4M saved in short-term disability claims;
- ***Stakeholder Awareness of the Importance of Workplace Health and Safety*** – Awareness has held steady over the past five years, varying between a low of 79% in 2003 and a high of 87% in 2005; 2006 year-end awareness is 83%; the System's social marketing focus has helped to maintain awareness and build a foundation for future change in attitudes and behaviour;
- ***Decisions Overturned on Appeal*** – In 2006, the WCB received 31,810 claims; 2,318 were brought to Internal Appeals and 160 were overturned by the Internal Appeals Hearing Officer; of the 2,318 brought to Internal Appeals 1,037 moved on to the Workers' Compensation Appeals Tribunal (WCAT); of those 681 were resolved, of which 254 were overturned; 12 of the 1,037 brought to the WCAT ultimately went on to the Nova Scotia Court of Appeal.
In 2006 the OHS Division issued in excess of 6,500 orders and decisions. Of those, 14 appeals of officers' orders were filed, and 7 appeals of Director's decisions were filed. There were no appeals of Appeal Board decisions to the Nova Scotia Court of Appeal. The overturn rate of officers' decisions was approximately 53% and of the Director was approximately 10%;
- ***Percent Funded*** - In response to a System-wide focus on reduced costs through reduced injury and more safe and timely return to work and a sound investment strategy, funding of the WSIS has improved from 27% in 1994 to 81% in 2006;

Since 2004, the WCB recognizes the entire investment gains and losses in the year of occurrence as opposed to smoothing them into income over five years; recognizing gains and losses in the year in which they occur has introduced a significant amount of volatility to the WCB's financial reporting, including the potential for changes in the funding ratio; as of December 31 2006, the System is on track to be fully funded by the year 2016; and

- **Average assessment rate** – Nova Scotia currently has the second-highest average assessment rate in the country (2006 year-end at \$2.63). This is predominantly due to the high incidence of injury in the province and long durations.

What stakeholders have to say...

During a stakeholder consultation session (January 2007) attendees acknowledged improvement in the System over the past five years and shared their views on priorities moving forward. Table 1 identifies points of agreement among all stakeholder groups in attendance, organized by theme.

Table 1 - January 2007 Stakeholder Suggestions – Points of Agreement

Theme	Issue
Coverage	Need to move towards universal coverage
Strategic focus	<p>Prevention must be a WSIS priority</p> <p>Need for increased focus on prevention, and health and safety education</p>
	<p>Need for increased focus on health and safety education in school system to target youth</p>
Service delivery	Need to tailor service delivery to reflect industry variances
Stakeholder involvement and participation	<p>Need for more timely information, and increased participation by stakeholders in the System</p> <p>Need for improved communications and accountability from the WCB</p>
	<p>Stakeholders should be involved prior to final product launches/major announcements</p>
	<p>System needs to increase and use client knowledge during the development of regulations, policies and programs</p>
Litigation	<p>Appeal and case management process is too litigious and needs to be examined for greater effectiveness</p> <p>Need to explore mediation as an option for reducing litigious nature of system</p>
Institutions	<p>Need to rethink the role of the Occupational Health and Safety Advisory Council</p> <p>Support the establishment of additional industry-based safety associations</p>

WHERE WE ARE GOING

As we take stock and look to the years ahead, we start by determining whether anything has occurred that would require us to reconsider the System's strategic direction. Our most recent performance results and input from stakeholders reinforces the need to maintain our direction as currently defined.

Our *vision*:

Safe, healthy workplaces for Nova Scotians, and sustainable safety and insurance services.

Our strategic *goals*:

- Improve outcomes for workers and employers;
- Improve service delivery;
- Ensure effective governance of the System; and
- Ensure financial sustainability of the System.

Table 2 outlines objectives for each goal, unchanged from the original strategic plan.

Table 2 – WSIS Goals and Objectives

Improve outcomes for workers and employers

Reduce Workplace Injury

1. Increase worker and employer awareness and knowledge of rights, responsibilities, risks and best practice related to illness and injury prevention
2. Encourage positive health and safety attitudes and behaviours
3. Increase compliance with legislative standards and the adoption of best practice
4. Improve health and safety outcomes

Return to Work

1. Ensure safe and timely return to work
2. Improve the satisfaction of injured workers and employers with their return to work experience
3. Increase awareness of the benefits of safe and timely return to work

Table 2 (Continued)

Improve service delivery
Accessibility of Information and Information Sharing
<ol style="list-style-type: none">1. Increase awareness and understanding of the system2. Increase accessibility of service3. Increase accessibility of information
Issue Resolution
<ol style="list-style-type: none">1. Issue the correct decision the first time2. Increase the understandability of letters and decisions3. Increase the efficiency of issue resolution4. Increase worker and employer involvement in decision-making5. Increase the fairness of the System
Ensure effective governance of the System
Formal Accountability Structure
<ol style="list-style-type: none">1. Established an on-going agency committee to oversee the day-to-day implementation of the System plan2. Produced agency quarterly reports and a semi-annual update on the System plan
Stakeholder Consultation
<ol style="list-style-type: none">1. Increase stakeholders' understanding of how they can influence policy/corporate decisions2. Improve stakeholders' level of satisfaction with the meaningful opportunities they have to provide input into the policy development process, including inter-agency consultation3. Adhere to agreed-to consultation process for policy development4. Improve stakeholders' level of satisfaction with the meaningful opportunities they have to provide input into corporate decisions for the Workplace Safety and Insurance System
Ensure financial sustainability of the System
<ol style="list-style-type: none">1. Full funding as outlined in the Funding Strategy2. When long-term financial results are better than target, discuss gains sharing opportunities to increase benefits for injured workers, reduce employer assessment rates and/or expedite retirement of the unfunded liability

While we maintain a long-term focus on our vision and goals, our short-term **priorities** may shift from year-to-year in response to progress and changing environmental variables. Based on our assessment of the current environment,

including input from stakeholders, we will continue to build on progress made to-date in all areas, and increase our focus on:

- Preventing workplace injury and illness,
- Continuing stakeholder consultation in setting the system's future direction, and
- Monitoring the progress of the strategic plan with system performance measures.

Although the scope and timing are not yet confirmed, it is worth noting current discussions and the possibility that a legislative agenda **will be considered in consultation with stakeholders** within the next five years. As these discussions progress, it will be determined whether priorities need to shift.

GETTING THERE

Strategy

IMPROVE OUTCOMES FOR WORKERS AND EMPLOYERS – REDUCE WORKPLACE INJURY

Workplace injury prevention is the joint responsibility of workers, employers, the OHS Division of the Department of Environment and Labour and the WCB. OHS and the WCB have worked closely over the past several years to develop and implement prevention programs, and by working with Nova Scotia's workers and employers we have seen a significant decrease in the provincial injury rate. This has been accomplished by targeting "high potential" employers with compliance guidance, providing online tools and information to employers, prevention consultation and educational programs, enforcement efforts, and aggressive social marketing.

Additionally, targeting the workforce of tomorrow, a significant amount of focus has been placed on the secondary school system to incorporate workplace health and safety into their curriculums.

As injury prevention moves forward, we will maintain those programs and services already established, as well as incorporate emphasis on:

- Continuous improvement in the quality, coherence and effectiveness of regulation (Better Regulation Initiative);
- Improved compliance with existing laws;
- Increased awareness of the Internal Responsibility System;
- Increased support for the Priority Employer Program (PEP);
- Reduction of musculoskeletal injuries;
- Increased focus on ergonomics;
- Regulation and reduction of workplace violence; and
- Reduction of injury and cost in the health sector.

IMPROVE OUTCOMES FOR WORKERS AND EMPLOYERS – RETURN TO WORK

Our current focus with respect to return-to-work is 'safe' and 'timely' (i.e. how long it takes to do so; duration). Socio-economic factors beyond the control of the System agencies influence this outcome, but there are steps that System agencies have been able to take toward improvement: work to strengthen existing and establish new healthcare partnerships; work with employers to help them understand the value of safe and timely return-to-work and to establish

organizational return-to-work programs; and improvements to the WCB's return-to-work methodology.

Nova Scotia has one of the highest duration rates in the country. While significant strides were made in 2006 (a reduction of 10%), targets for coming years are aggressive. To achieve those targets, we will maintain the foundation built over the past few years, and expand our focus to:

- Evaluate and establish additional healthcare partnerships; and
- Develop new tools to more efficiently and effectively manage injured worker healthcare.

IMPROVE SERVICE DELIVERY – ACCESSIBILITY OF INFORMATION AND INFORMATION SHARING

A number of steps have been taken over the past few years to improve stakeholder access to information: establishment of the WSIS web site; the release of MyAccount; more rigorous policy consultation; development of a planning process that actively engages stakeholders; joint agency road shows; bi-annual stakeholder consultation sessions; establishment of the System Goals Advisory Committee (SGAC); and development of the System Stakeholder Counsellor Program.

Moving forward, we will maintain those achievements as well as:

- Implement the System Stakeholder Counsellor Program;
- Evaluate opportunities to improve the System's service delivery model; and
- Provide clients with on-line access to, and interaction with, the OH&S Division..

IMPROVE SERVICE DELIVERY – ISSUE RESOLUTION

The Issues Resolution Working Group has for the past several years worked to identify opportunities for process improvement and to resolve specific issues brought forward by one of the three agencies: WAP, WCAT and WCB. Activity resulting from this working group includes the establishment of joint training, joint appeals scheduling, establishment of an appeals issues discussion group, and establishment of a case conference project – focused on resolution of issues before an appeal becomes necessary.

Moving forward, System partners will explore opportunities to make the System less litigious.

ENSURE EFFECTIVE GOVERNANCE OF THE SYSTEM – FORMAL ACCOUNTABILITY STRUCTURE

Significant efforts toward achievement of this goal were made as a result of the implementation in 2005 of a new governance structure, and as part of that, establishment of the stakeholder-represented SGAC. A Report to the Community has been provided to stakeholders on a quarterly basis, with a recent shift to semi-annual. Effort in this area moving forward will focus on all partners and stakeholders in the System learning how to operate within the new governance model.

ENSURE EFFECTIVE GOVERNANCE OF THE SYSTEM – STAKEHOLDER CONSULTATION

As part of the original System strategic planning initiative, stakeholders asked for more comprehensive consultation in three specific areas:

1. Workers' compensation policy development;
2. Changes that could have significant financial implications for either workers or employers; and
3. System strategic planning.

Since then, both policy consultation and System strategic planning processes that engage stakeholders at crucial points have been established. Moving forward, progress made toward achievement of this objective will be maintained.

ENSURE EFFECTIVE GOVERNANCE OF THE SYSTEM – SYSTEM PERFORMANCE MEASUREMENT

Significant effort has been undertaken toward achievement of this objective. In 2004 a System Performance Measures Advisory Committee (SPMAC) was established with the mandate to recommend System Performance Measures. The committee delivered its recommendation in July 2005. That recommendation was adopted and modified by the newly formed SGAC.

Moving forward, the SGAC will continue to refine its recommendation on System performance measures and work to establish five-year targets.

ENSURE FINANCIAL SUSTAINABILITY OF THE SYSTEM

The Accident Fund, administered by the WCB Board of Directors, funds the WSIS. Therefore, achieving full funding is critical to the longevity and fiscal sustainability of the System. Investment gains and successful efforts to reduce costs generated by a high injury rate and long durations have helped to move the System from 27% funding in 1994 to 81% funding in 2006. Since 2004, the WCB recognizes the entire investment gains and losses in the year of occurrence as opposed to smoothing them into income over five years. Recognizing gains and losses in the year in which they occur has introduced a significant amount of volatility to the WCB's financial reporting, including the potential for changes in the funding ratio.

The current Funding Strategy sees full funding by 2016. In the mean time, should we experience gains relative to the funding strategy, gains sharing discussions will be conducted as to whether to increase injured worker benefits, reduce employer assessment rates, and/or accelerate the plan to retire the unfunded liability.

Plan

The WSIS strategic direction is achieved through the collaborative efforts of all stakeholders, as defined by agency and initiative plans. Those plans are updated on an annual basis, and can be accessed through the respective agencies. For a description of the planning cycle, refer to Appendix C.

Measuring Progress

We will only know whether we are achieving our vision and goals by constantly monitoring performance. Development of System performance measures and targets is a work in progress. We will measure and report performance to stakeholders on a bi-annual basis and the nature of that report will evolve as does the development of those measures and targets.

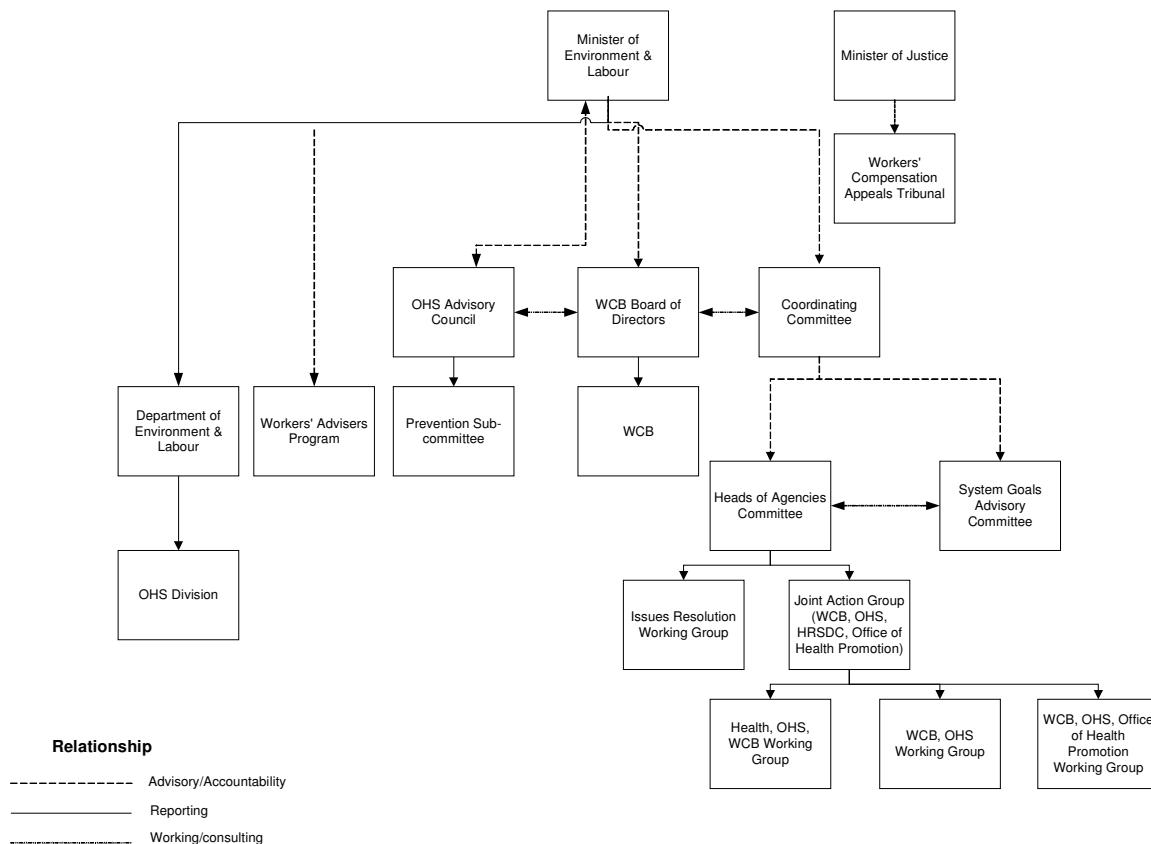
APPENDIX A:

THE WORKPLACE SAFETY AND INSURANCE SYSTEM – RELATIONSHIPS AND COLLABORATION

Relationships and Collaboration

Nova Scotia's Workplace Safety and Insurance System (WSIS) is a collaboration of government, agencies, advisory councils, working groups and those that the System serves (workers and employers) - all working together toward a common vision. Figure 1 identifies the various individuals and organizations that participate in governance of the System.

Figure 1: Workplace Safety and Insurance System Structure



GOVERNMENT

There are two areas of government that play a role in the WSIS. The Minister of Environment and Labour is responsible for Parts I and III of the *Workers' Compensation Act* and for the *Occupational Health and Safety Act*. As per the *Workers' Compensation Act*, the Minister and Cabinet are responsible for the selection of the Chair and Directors of the Board of Directors for the WCB and the Deputy Minister for selection of the Chief Adviser of the Workers' Advisers Program (WAP). As per the *Occupational Health and Safety Act* the Minister is

directly responsible for the Occupational Health and Safety (OHS) Division of the Department of Environment and Labour.

The Minister of Justice is responsible for Part II of the *Workers' Compensation Act* and for the selection of the Chief Appeals Commissioner of the WCAT.

AGENCIES

OHS Division of the Nova Scotia Department of Environment and Labour

The mission of the OHS Division is to establish, promote and enforce clear standards to reduce occupational injury and illness. The Division's objectives are to, with its partners, work to reduce the incidence of injury and illness of employees, improve the understanding of occupational health and safety standards by all workplace parties, and improve health and safety conditions in the workplace by means of research, inspection, investigation and enforcement of legislation.

WAP

The WAP is responsible for the development, implementation and maintenance of a program to advise, assist and represent eligible injured workers who have been denied benefits under the *Workers' Compensation Act*.

WCAT

The WCAT (Tribunal) is the first level of appeal external and independent of the WCB. It hears and decides appeals filed by workers or employers and may involve claims-related issues or employer assessment matters. The WCAT also has exclusive jurisdiction to determine whether the *Workers' Compensation Act* bars a right of action against employers.

WCB

The WCB is a workplace injury insurance agency responsible to administer the *Workers' Compensation Act*, provide prevention education and promote a culture of safety in the workplace.

ADVISORY COUNCILS AND WORKING GROUPS

Key to the success of the WSIS is a collaborative approach. Through consultation, the System's administrators strive to involve stakeholders on an ongoing basis in order to understand their needs, priorities and perspectives. As depicted in Figure 1, several standing advisory councils and working groups have been established to serve that objective. To name a few:

The OHS Advisory Council is a stakeholder advisory group whose purpose is to advise the Minister of Environment and Labour on OHS matters. The Prevention Subcommittee, a sub-group of the Advisory

Council, advises council members specifically on prevention needs and priorities.

The SGAC is comprised of representatives of the injured worker and employer communities, each of the four WSIS partner agencies (OHS, WAP, WCAT, and WCB), members of the OHS Advisory Council and members of the WCB Board of Directors. The role of the SGAC is to advise the agencies regarding System goals and objectives and on System performance measurement.

Working groups are established as needed in line with identified System priorities. The Issues Resolution Working Group (IRWG), for example, has been established to advise the agencies as to how to improve the effectiveness and efficiency of issue resolution within the System.

WORKERS AND EMPLOYERS

The System exists to serve workers and employers, and in turn their input and advice ensures that the System sufficiently balances their present and future needs.

A number of mechanisms exist to solicit the input and advice of workers and employers, including regular stakeholder satisfaction surveys. Also, the annual General Meeting (spring) and stakeholder consultation session (fall) provide forums for workers and employers to ask questions of the System agencies and to publicly share their views.

Workers and employers also serve on standing advisory councils and working groups, such as the OHS Advisory Council and SGAC.

System Governance

The System Coordinating Committee is comprised of the Chair of the Board of Directors of the WCB and the Deputy Minister of the Department of Environment and Labour. Together, these two individuals are responsible for coordinating recommendations for legislative change, aligning planning process with shared goals and objectives, and ensuring consultation and linkages between the Heads of Agencies Committee (HAC) and the SGAC.

The HAC is comprised of the heads of the four System agencies, namely:

- Director of the OHS Division of the Department of Environment and Labour;
- Chief Workers' Adviser of the WAP;
- Chief Appeals Commissioner of the WCAT; and
- CEO of the WCB.

Members of the HAC are responsible for measurement and reporting in alignment with System goals. They are also responsible for the provision of information, advice and support to the SGAC and to coordinate strategic plan implementation.

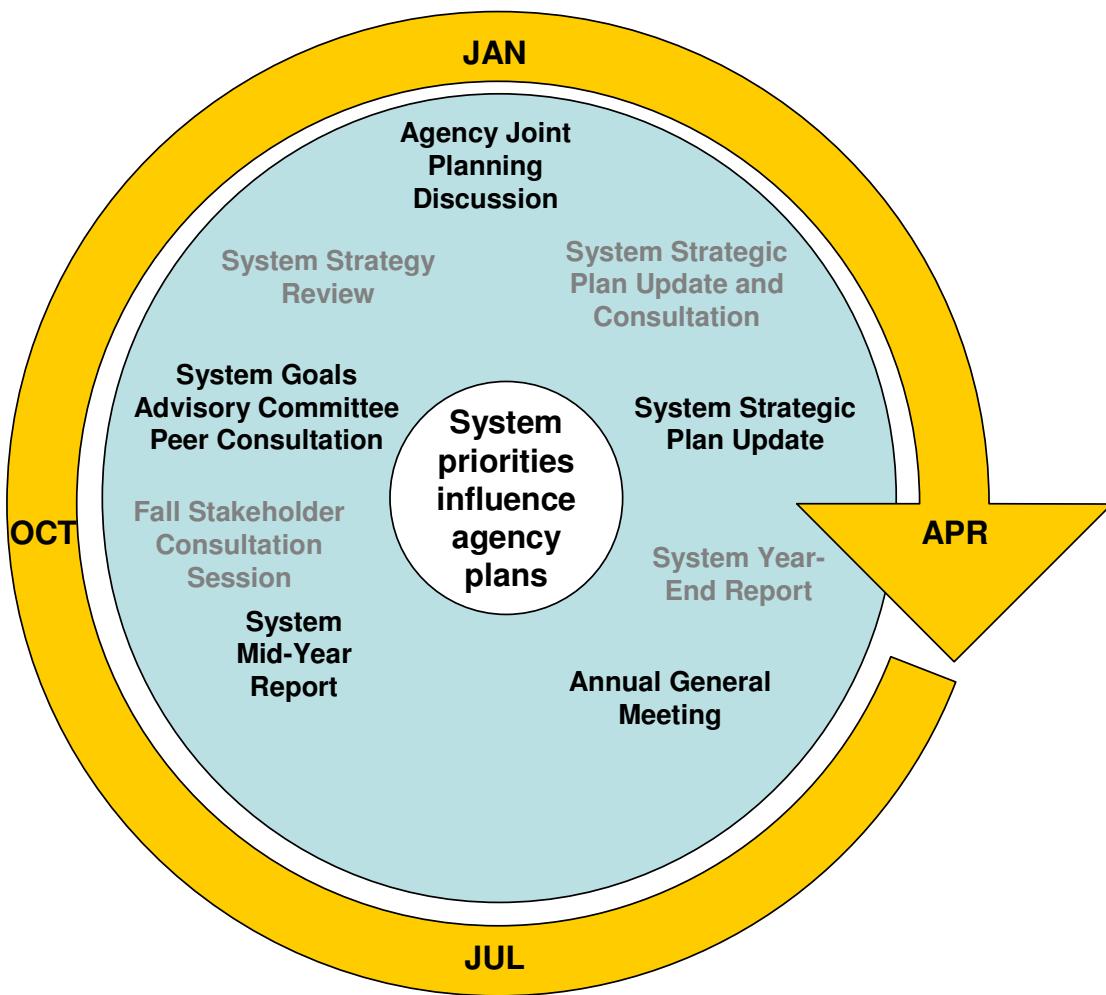
APPENDIX B: WORKPLACE SAFETY AND INSURANCE SYSTEM – PLANNING CYCLE

On an on-going basis, agency representatives seek stakeholder input as to their needs and priorities. As depicted in Figure C.1, a final check-in with those stakeholders is held each fall as part of the annual stakeholder consultation session. Taking into consideration stakeholder input and other environmental variables, System strategic direction is evaluated, with confirmation/revision finalized and shared with stakeholders in April, in advance of the Annual General Meeting.

Once strategic direction has been validated by the Coordinating Committee, the partner agencies (OHS, WAP, WCAT, and WCB) work together to develop plans by which to deliver on identified goals and priorities, engaging stakeholders along the way as appropriate. Draft plans are shared with stakeholders prior to the fall stakeholder consultation session and discussion at the fall session taken as direction toward fine-tuning.

As Figure C.1 indicates the planning process is continuous, and the plan itself a living, evolving document.

Figure C.1 - WSIS Planning Cycle



Refer to Table C.1 for a more detailed description of each element of the planning cycle.

Table C.1 Description of the WSIS Planning Cycle

Fall Stakeholder Consultation Session

Agency-hosted event to obtain key stakeholder input concerning System priorities.

System Goals Advisory Committee Peer Consultation

System Goals Advisory Committee members consult respective represented groups concerning System priorities.

System Strategy Review

Agency Heads review existing strategy and update if necessary.

Agency Joint Planning Discussion

Agency Heads and staff assess System priorities and strategy, and identify initiative needs and opportunities.

System Strategic Plan Update and Consultation

Agency Heads review System Strategic Plan (and proposed revisions if applicable) with System Goals Advisory Committee members.

System Strategic Plan Update

Updated System Strategic Plan provided to Coordinating Committee and made available to stakeholders.

System Year-End Report

System Year-End Report provided to Coordinating Committee and made available to stakeholders.

Annual General Meeting

System Annual General Meeting, hosted by the Coordinating Committee.