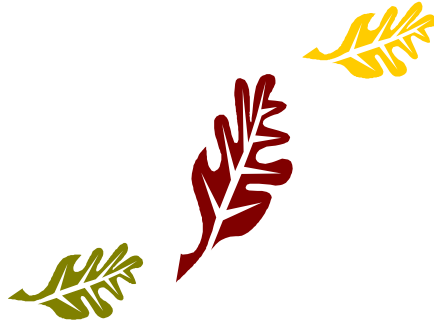


# Corporate Report

2nd Quarter 2003



Workplace Health,  
Safety and Compensation  
Commission  
of New Brunswick

WHSCC  

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CSSIAT

Commission de la santé, de la  
sécurité et de l'indemnisation  
des accidents au travail  
du Nouveau-Brunswick

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## Introduction

The Workplace Health, Safety and Compensation Commission of New Brunswick is pleased to present the second quarter Corporate Report for 2003.

The report is intended to provide the Board of Directors with an update of the Commission's progress towards achieving the organization's five strategic goals.

The preface of this report provides an overview of the external economic environment and a summary of internal claim volumes.

The main body of the report is organized around the corporate goals, which are listed in order. Beneath each of the strategic goals you will find an account of the Commission's performance, drawing on the operational indicators and other data. This data is then analyzed in comparison to previous periods.

Finally, there is a discussion of the activities the Commission is undertaking pursuant to each goal.

We hope you find this information helpful, and we welcome any feedback you may have.

### *Our Vision – Healthy and safe workplaces in New Brunswick*

The Workplace Health, Safety and Compensation Commission is dedicated to the promotion of a safe and healthy work environment and the provision of services to workplaces, employers and the injured workers of New Brunswick.

In aspiring to achieve our vision, the Commission has adopted the following five strategic goals:

1. Our vigorous pursuit of safety will lead to a significant decline in the frequency of accidents;
2. We will provide prompt, effective, efficient, and caring services to our clientele;
3. We will decrease the time by which injured workers return to pre-accident, modified or alternate employment;
4. We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients; and
5. Our employees will consider the Commission a good place to work.

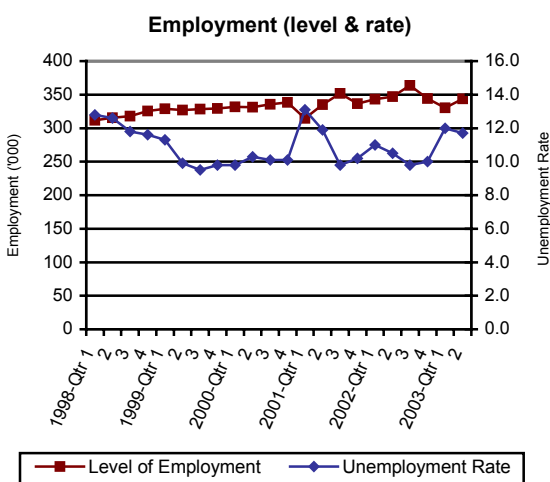
At the June 26<sup>th</sup> and 27<sup>th</sup> Board meeting, the Board of Directors confirmed these strategic goals.

The goals and their measures, approved to guide the Commission from 2002 to 2007, are discussed in more detail throughout the report.

# Preface

## The Provincial Context

The Commission operates within the changing provincial economy. The following indicators provide a snapshot of the economy's recent performance.



The level of employment is the number of people employed on a full-time, part-time, or casual basis. There were approximately 344,000 people employed in New Brunswick during the second quarter of 2003, an increase of almost 4% over last quarter. Although employment rose this quarter, it is only slightly higher than the average rate experienced over the last two years and 1% lower than this time last year.

The unemployment rate is the number of people unemployed compared to those working or seeking work. The unemployment rate declined 2.5% in the second quarter of 2003, to an average of 11.7%.

The number of people in New Brunswick who collected employment insurance benefits this quarter decreased by more than 3,000 people. This is a decline of almost 6% over last quarter.

Retail trade in New Brunswick increased in the second quarter of 2003 by almost 10% over last quarter, however remains unchanged from the same period last year.

## Economic Outlook

Compiled from information from the Conference Board of Canada.

With an expected growth rate in real GDP of 3.2%, the overall economic forecast for New Brunswick remains optimistic for 2003.

Growth will be driven, in part, by planned medium and mega-size non-residential construction projects. Projects such as the Coleson Cove thermal generation plant, Trans-Canada Highway, and the joint project between Irving Oil and Trans-Canada Pipeline is expected to boost real construction output by 7% this year. Growth in the construction industry is expected to be above the national average and rank second among the provinces.

The US economy is expected to improve during the second half of 2003, which will help New Brunswick manufacturers this year and next. Growth in real manufacturing output will advance by 4.1% this year, nearly twice the national average.

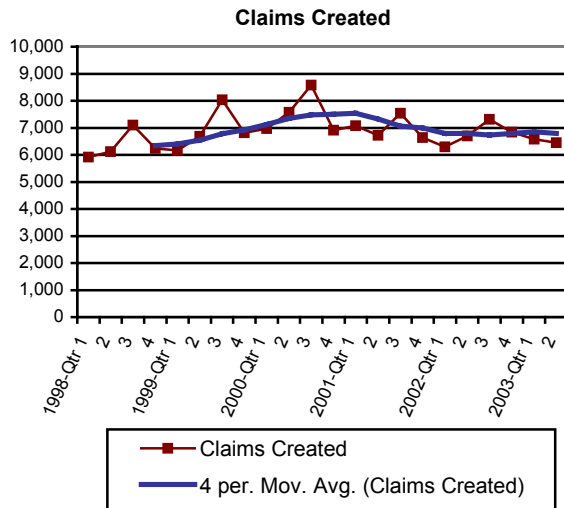
Growth in the service sector is expected to be steady this year. The projected growth in the manufacturing sector should provide a boost to the transportation industry. Also, the federal-provincial health funding agreement signed in February will increase spending on social programs.

Market slumps and downward price pressures continue to strain the forestry industry in New Brunswick. In addition, some Western Canadian firms have reduced operating cost by as much as 10%, becoming more cost competitive in US markets.

## At the WHSCC Work Volumes

### Newly Reported Claims

“Claims created” represents all claims reported and created on the Commission’s computer system. In the majority of cases, claims are created as pre-adjudication and are new claims. These claims are counted by the date the claim was created.



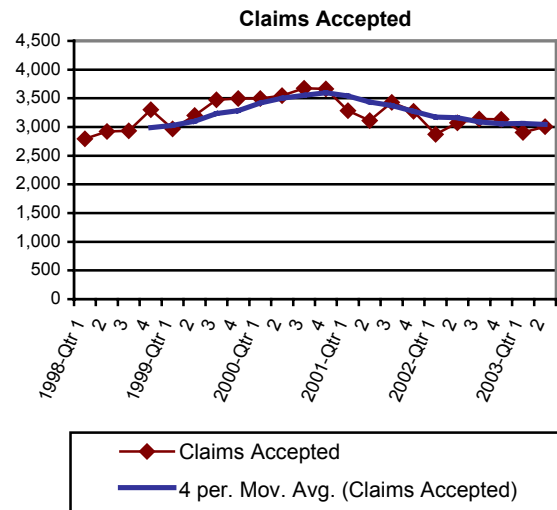
The number of claims created has been leveling off over the last few years. The second quarter of 2003 shows the number of claims created to be 6,452.

The Commission received 6,452 new claims this quarter. This is:

- 1.9% less than in the 1st quarter 2003 (6,578), and
- 3.7% less than in the 2nd quarter 2002 (6,702).

### Newly Accepted Claims

A claim that is accepted is one that has been adjudicated and benefits are due to be paid. This graph shows the count of new workplace accidents accepted by the Commission.



The number of claims accepted by the Commission increased slightly in the second quarter of 2003, but remains below the average level over the last few years.

The Commission accepted 3,006 claims this quarter. This is:

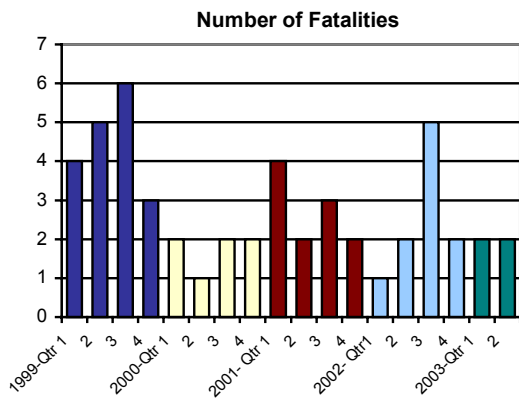
- 3.5% more than in the 1st quarter 2003 (2,905), and
- 2.2% less than in the 2nd quarter 2002 (3,073).

### Types of Newly Accepted Claims

When newly accepted claims are broken down by type (fatalities, no lost-time and lost-time) we get a sense of the nature of new workplace accidents.

### Fatalities

The following chart shows the number of fatalities that occurred and were accepted by the Commission since 1999.

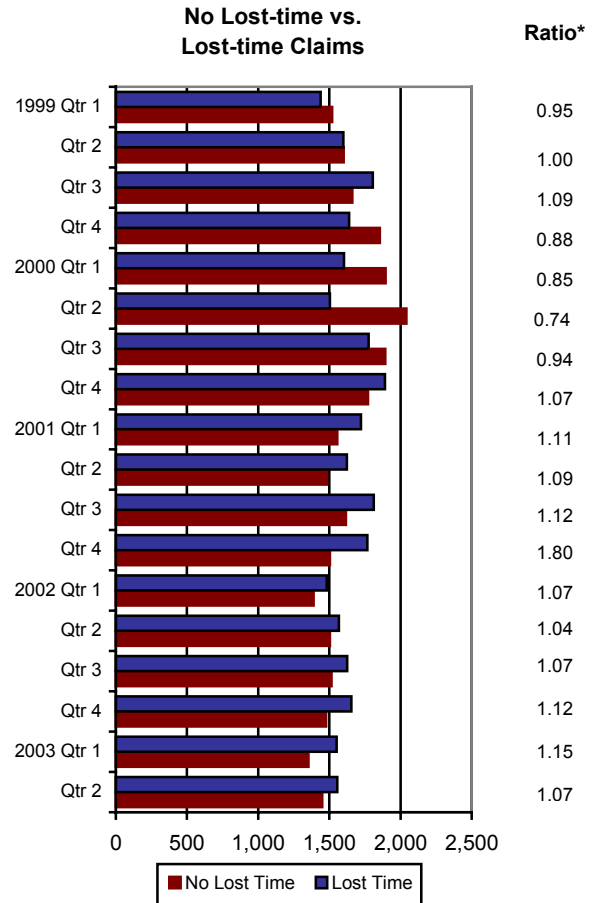


There were two fatalities in the second quarter of 2003, which compares to two fatalities this time last year. The annual totals are: 1999-18, 2000-7, 2001-11 and 2002-10.

### No Lost-time / Lost-time

Lost-time claims are those in which workers miss time from work, including claims in which no benefits are paid due to the 3-day waiting period. No lost-time claims are claims, which there is no loss of time from work and therefore, no loss of earnings benefits are issued. However, the injured worker is entitled to health care benefits.

The next chart compares the number of lost-time and no lost-time claims accepted since 1999, and compares these claims on a quarterly basis.



\* The ratio of 1.07 means that for every 100 no lost-time claims, there were 107 lost-time claims.

The Commission accepted 1,556 new lost-time claims in the second quarter of 2003. This is:

- 0.3% more than in the 1st quarter 2003 (1,552), and
- 0.7% less than in the 2nd quarter 2002 (1,567).

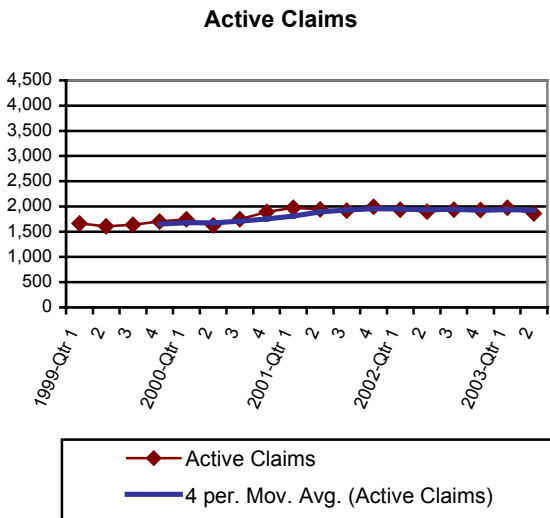
There were 1,449 no lost-time claims accepted in the second quarter of 2003. This is:

- 7.1% more than in the 1st quarter 2003 (1,353), and
- 3.7% less than in the 2nd quarter 2002 (1,505).

There were 1.07 lost-time claims for every no lost-time claim for the second quarter of 2003. This has dropped slightly since the first quarter, but is relatively consistent with the average ratio for 2002.

### Active Claims

An active claim is one, which is currently receiving loss of earnings benefits. The quarterly volume of active lost-time claims since 1999 has been on the rise. In the second quarter of 1999, the number of claims was 1,603. The number of claims at the close of the second quarter for 2003 was 1,859, an increase of 16% since 1999.



There was a slight decrease of 0.1%, on average, from 2002 to 2003. This is:

- 5.7% less than in the 1st quarter 2003 (1,971), and
- 2.0% less than in the 2nd quarter 2002 (1,897).

# 1

## Accident Frequency

### Goal

“Our vigorous pursuit of safety will lead to a significant decline in the frequency of accidents.”

### Measure

This goal is measured by examining the accident frequencies of the following:

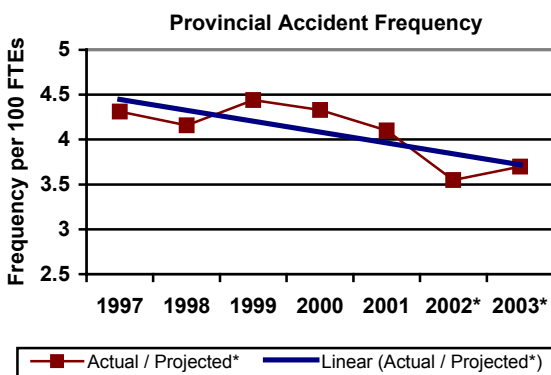
- Provincial;
- \$1MM inflation adjusted payroll for total insured companies;
- Industry sectors; and
- Focus industries.

### Indicators & Analysis

#### Provincial Accident Frequency

The Commission uses the accident frequency rate (number of accidents per estimated 100 full-time equivalent workers), to track the rate of accidents in the province.

The following graph illustrates the number of claims accepted by the Commission for insured employers since 1997, divided by the estimated number of workers insured.



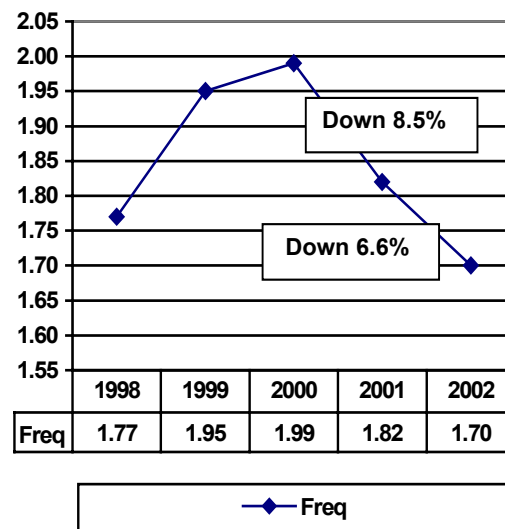
\*These figures have been revised to reflect updates to the number of FTEs in the province, and to the number of claims recorded against any given year.

The "actual" provincial accident frequency rate declined for the second year in a row, reaching 4.1 accidents per 100 FTE's in 2001. It is projected to decrease further in 2002 to 3.55 accidents per 100 FTE's then increase in 2003 to 3.70 accidents per 100 FTE's.

#### Accident Frequencies for \$1MM Inflation Adjusted Payroll for Total Insured Companies

The next graph shows the decline in the number of accident frequency per \$1 million of payroll for all insured companies. There is a decrease of 6.6% from 2001 to 2002, part of a steady decline since 2000.

2002 Measures: Per \$1MM Inflation Adjusted Payroll Total Insured Companies



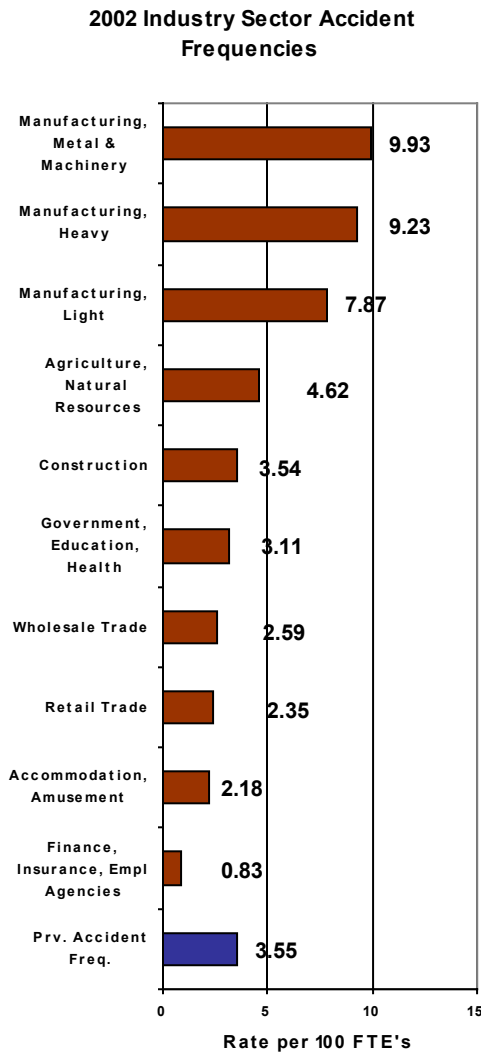
#### Industry Sectors

The Commission has made a conscious decision to concentrate its greatest efforts on those industries and workplaces that, through statistical analysis, were identified



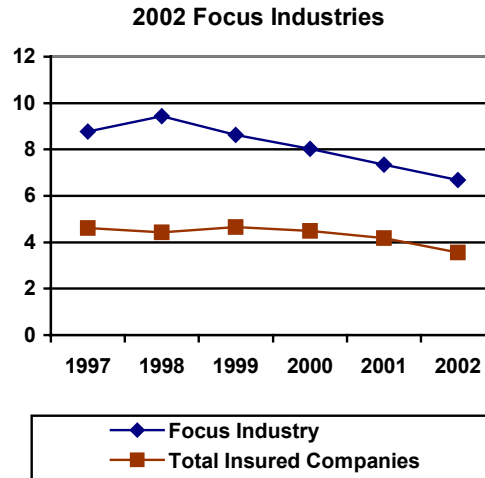
as being above the norm in relation to number and severity of occupational injuries.

The following chart shows the accident frequency for each of the 10 major industry sectors. Manufacturing, Agriculture & Natural Resources, Construction and Government Education & Health were analyzed and selected because of the number and costs of the claims in their industry.



### Focus Industries

The graph below shows the accident frequency of the focus industries in comparison to all total insured companies in the province. While these industries are showing a decline, they are collectively still running at approximately twice the provincial average.



The Prevention Division has selected four of these industries as part of their focus initiative:

- Logging;
- Sawmills;
- Garages; and
- Nursing Homes.

Each focus industry strategy has an awareness, association level and a workplace level component designed to address the health and safety issues in the industry province-wide. During the first quarter, staff examined the industries and prepared the strategy for implementation.

## *Industry Initiatives*

In addition to the focus industries, there are a number of other industry groups that have been identified for initiatives on a smaller scale. These are usually regional initiatives and are as a result of changes in the industry, emergence of new industries, or other significant issues. For 2003, mining, aquaculture, potato harvesting, oil and gas drilling, trucking, film industry and highway construction have specific involvement.

## *Focus Workplaces*

Regional Services staff identifies workplaces to focus attention, based on the accident history of the industry group as well as the accident record of the individual firm. The extent of intervention is done at three levels.

- **Primary Workplaces** - Workplaces with higher cost / accident frequency identified for priority intervention. Primary objectives are injury reduction and infrastructure building. Interventions are led by the Health & Safety Consultant with support from other teams' members. These firms are identified by the Regional Manager and approved by selection process.
- **Secondary Workplaces** - Workplaces with higher cost / accident frequency identified for priority interventions. Assigned by Regional Managers, led by individual disciplines other than H.S.C. Initiatives are directed toward rapid cycle injury reduction and some Health and Safety infrastructure building.
- **Tertiar** - Workplaces chosen from selected SIC's. The expectation is for one visit from Health and Safety Officer during the course of a year to ensure basic compliance and address issues identified in the industry.

The combination of primary, secondary and tertiary interventions in workplaces helps achieve a penetration into the specific industry groups to ensure a better impact in addressing industry-wide health & safety issues.

## *Activities*

### *General*

The Prevention Services Division of the WHSCC administers New Brunswick's *Occupational Health and Safety Act (OHS Act)*, and promotes workplace health and safety through accident prevention. The division offers a variety of services including; awareness education; consulting to provide in-depth safety programs for employers; health and safety inspections; investigations; and arbitration hearings under the *OHS Act*.

### *Legislation / Regulatory Review*

Update on Fall Protection - The Fall Protection Technical Committee has completed the first draft of the proposed legislative changes.

Members of the committee are currently holding consultation sessions with their stakeholders. So far, there has been nine (9) consultation sessions including 1 with the WHSCC Health and Safety Officers facilitated by the WHSCC members of the Technical Committee, 3 by NB Power representatives with their stakeholders, 1 by the New Brunswick Roofing Contractors, 3 by the New Brunswick Construction Safety Association and 1 by the New Brunswick Building Trades.

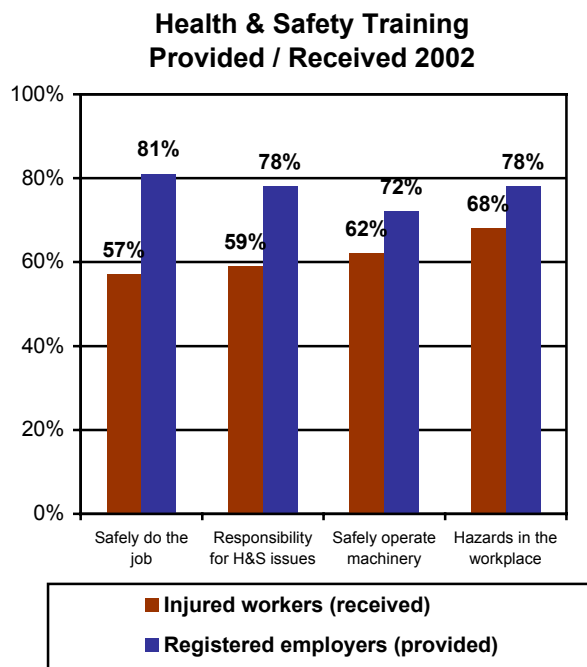
WHSCC staff from the Technical Committee were invited by the other members of the technical committee to provide assistance in the consultation sessions with their stakeholders.

The Technical Committee plans to meet in the Fall to review the outcome of the consultation sessions where a final draft of the proposed legislation will be prepared for the Board of Directors.

### Safety Awareness

The Prevention Division's health & safety awareness campaign aims to make workers and employers more aware of workplace hazards.

The following chart shows the percentage of injured workers who report receiving health & safety training in their workplace and the number of employers who report providing this type of training when surveyed for the Commission's Annual Client Satisfaction Survey.



Most employers, approximately three-quarters, report providing health & safety training. Only two-thirds or less of injured workers report receiving this type of training.

### General Education

The Prevention Division provides provincial / public workshops. The primary focus this year is on Joint Health & Safety Committee (JHSC) Core Training with the following sessions having been held this spring as part of the Commission's initiative with the NB Nursing Home Association and the Provincial Government's Working Committee on Nursing Homes.

On May 27<sup>th</sup> and June 5<sup>th</sup>, sessions were held throughout the province for Co-chairs of all Nursing Homes.

In November, the JHSC Core Training Program will be offered to individual / companies who completed the JHSC Core Training Survey this Spring. The Co-Chairs of their Joint Health and Safety Committees will be invited to attend the 3-day session. Registration will be on a first-come first-serve basis.

Sessions will be held from November 18-20/03 in Moncton, Saint John, Fredericton, Bathurst and Grand Falls. In addition to the JHSC Core Training Sessions, there will be two public workshops on occupational hygiene topics offered this Fall, such as Respiratory Protection and Noise Reduction.

### Communications

#### Publications

Day of Mourning posters, designed for the first time at the national level and customized by the Communications Department to reflect New Brunswick statistics, were distributed in early April. As well, the Health and Safety Officer poster was completed, featuring an officer urging workers to take their safety personally.

The WHSCC newsletter was redesigned and the Spring 2003 issue was distributed in early April. As well, the Commission produced

and distributed 4 press releases, 15 hazard alerts and 2 pamphlets, including West Nile Virus, Heat Stress, and Working Outdoors Risk Alerts.

The Department completed publication of two Compensation and Rehabilitation booklets, the *Workers' Compensation: A Guide for New Brunswick Workers* booklet, and the *Workplace Disability Management: A Guide to Establishing a Program in Your Workplace* booklet.

### *Advertising Campaign*

The Communications Department advertised the WRC Open House - held in conjunction with Disability Awareness Week, in the Saint John Board of Trade Newsletter.

The Spring television campaign targeting the construction industry commenced on May 19, 2003 with end date of June 27, 2003. The advertising used one-minute spots outlining a fatal accident with the appropriate legislative remedy to ensure such does not occur in the future.

The campaign was followed by a recall survey with 600 completed interviews; 69% of the sample was able to recall the advertisement. In the Fall 2002 campaign, 64% recalled the ads. Effectiveness and appreciation measures were also higher as compared to last year. Aided and unaided recall in the 35-40% range is generally considered strong and this advertising is approximately double those levels.

Work has now commenced on the Fall campaign, which will focus on an accident as well as legislative solution targeting the manufacturing sector.

### *Events*

Second quarter events included the North American Occupational Safety and Health (NAOSH) Week, during which the Commis-

sion sponsored 5 breakfasts for Joint Health and Safety Co-Chairs around the province. The Annual Day of Mourning was marked on April 28<sup>th</sup>. As well, the Commission promoted its services through exhibits at 5 conferences and/or trade shows around the province.

Work is ongoing to prepare for the annual WHSCC Occupational Health and Safety Conference to be held in October of this year.

### *Youth Programs*

The Commission continues to focus energy towards the youth population of the province. An evaluation of the impact of the Health and Safety curriculum for Broad Based Technology education was completed in the second quarter. The results indicated that this module contributed to the development of favourable attitudes toward job safety issues by students who participated. In addition, students saw the module as having direct and specific relevance to them on the job and elsewhere. Teachers were unanimously positive in their perceptions of the module, indicating a strong likelihood of successful implementation and widespread use.

A new poster was developed advising youth of the precautions they should take when going to work by emphasizing the number of accidents to this age group. They will be distributed to all schools when classes commence in September of this year. The Youth Program's Coordinator presented a new H&S curriculum for the Co-op program to the Department of Education with the pilot phase to commence this Fall. In addition, a mail-out of WHSCC resources was sent to all 95 French middle and high school vocational / technology labs.

Preparation is continuing during the second quarter for the Heroes tour of the province this Fall. It is anticipated over 6,000 high

school students will participate in this highly charged presentation brought to the province by the Commission.

Teacher in-service sessions continue to be a mainstay as method to keep H&S issues visible within school programs. Workshops with N.B. Association of Career Education, UNB teachers in training and Broad Based Technology Education teachers took place over the past 3 months.

### *Prosecutions / Arbitrations*

In the second quarter of 2003, five charges were laid against four employers. Four of these charges are against three employers who were involved in an accident where an employee was electrocuted while painting. The fifth charge was laid against an employer after an employee, who was not wearing fall-arrest gear, fell approximately twenty feet. All of those charges are laid under section 47 of the *Occupational Health and Safety Act* for failing to comply with various sections of both the *Act* and the General Regulation.

Also in the second quarter of 2003, there were 3 arbitration cases filed with the Commission. In the same period one case was withdrawn and two resolved, prior to a hearing.

# 2

## Injured Worker & Employer Satisfaction

### Goal

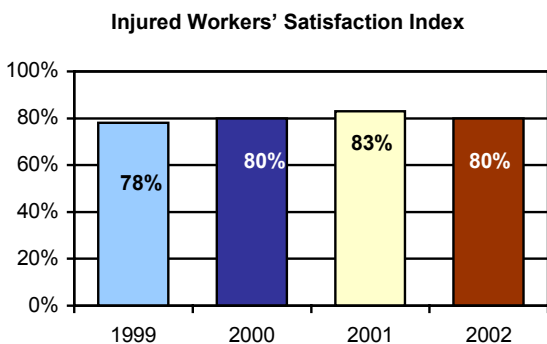
"We will provide prompt, effective, efficient and caring provision of services to our clientele."

### Measure

Our annual survey of public opinion will produce consistently high results. At a minimum, we will maintain a satisfaction score of 82% for injured workers and 85% for assessed employers.

### Indicators & Analysis

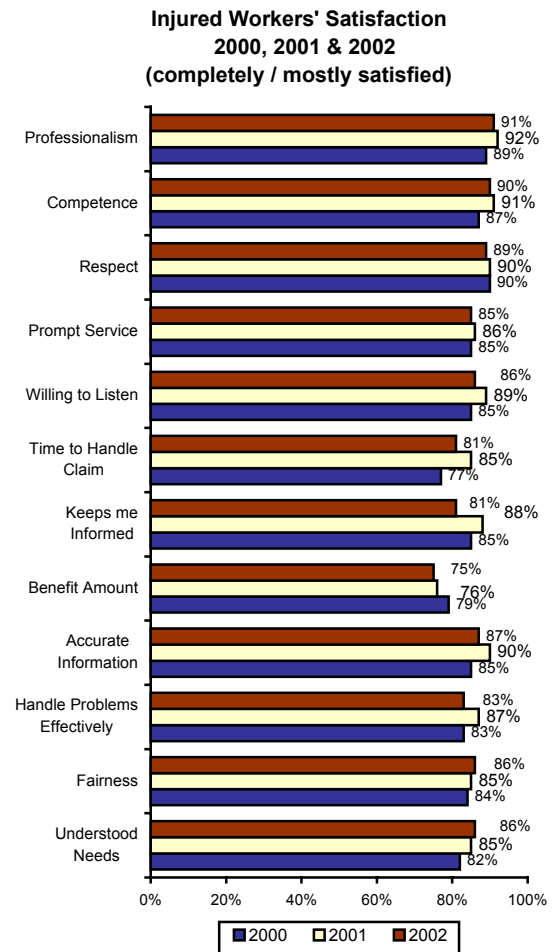
Injured workers' satisfaction with the Commission is measured using a Satisfaction Index prepared by an independent research firm. The index provides a composite score derived from 12 satisfaction drivers (at right) considered to be important to injured workers' overall satisfaction.



In 2002, the Client Satisfaction Index for injured workers decreased slightly to 80%, matching levels found in 2000.

### Satisfaction Drivers

Collectively, "satisfaction drivers" provide insight into how well the Commission delivers qualities identified in the goal, i.e., "prompt, effective, efficient and caring provision of services." The table below measures injured workers' satisfaction with individual service attributes, but does not include those that responded with "don't know" to the questions.



In 2002, most injured workers were satisfied with the professionalism (91%) and competency (90%) of the Commission.

Fewer injured workers indicated they were satisfied with the amount of benefits (75%) and keeping them informed (81%) compared to 2001.

Although the Commission's satisfaction index declined slightly in 2002, 9 of the 12 attributes remain above the 2000 level. As well, from 2001 to 2002, the Commission's performance improved slightly with fairness and understanding needs.

### Key Research Findings

A "gap analysis" is used to determine the top drivers of overall satisfaction for injured workers. It looks at the relationship between two variables (importance and satisfaction) and identifies which variables have the greatest impact on overall satisfaction as reported in the annual survey. The results for 2002 are listed in the table below and are ranked according to what injured workers consider being an important service attribute.

Rank	Satisfaction Driver
1.	Provides appropriate amount of benefits
2.	Handles claims in a timely manner
3.	Demonstrates competence
4.	Shows respect
5.	Demonstrates professionalism
6.	Provides accurate information
7.	Handles claims in a fair manner
8.	Promptness in providing service
9.	Effectively handling problems
10.	Willingness to listen
11.	Understanding needs
12.	Keeping you informed and up-to-date

### Employer Satisfaction Index

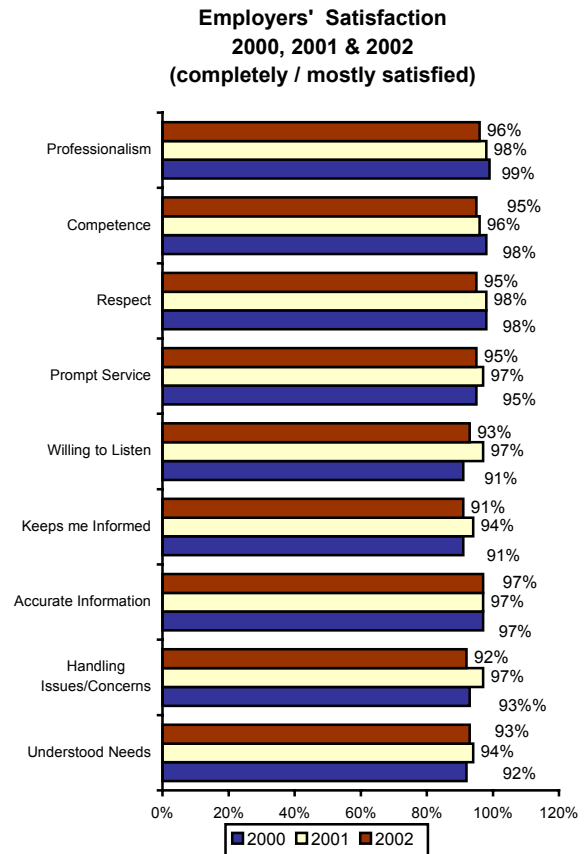
Employer satisfaction with the Commission is measured using a Satisfaction Index prepared by an independent research firm. The index provides a composite score derived from 9 satisfaction drivers (at right) considered important to employers' overall satisfaction.



For the third year in a row, the Client Satisfaction Index for employers was 85%.

### Satisfaction Drivers

Collectively, "satisfaction drivers" provide insight into employer satisfaction with service delivery provided by the Commission. The table below measures employer satisfaction with individual service attributes, but does not include those that responded with "don't know" to the questions.



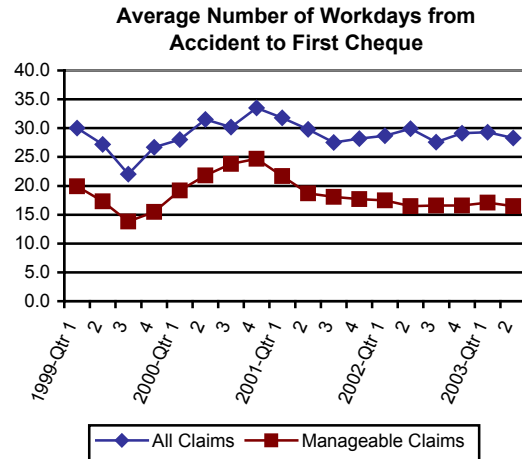
In 2002, most employers (91% to 97%) were satisfied with the delivery of all service attributes. In particular, employers indicated that the Commission is accurate with information (97%) and is professional (96%). Overall, employer satisfaction scores by attribute are similar for the last three years, varying five percent or less. From 2001 to 2002, employer satisfaction with 8 of the 9 service attributes declined slightly. However, since the employer satisfaction index remains consistent with last year, this may indicate that fewer employers are completely dissatisfied with the service provided.

The results for the 2002 survey for the ranking of the satisfaction drivers are shown in the table below. The drivers are listed in order of importance to the employer.

Rank	Satisfaction Driver
1.	Competence
2.	Professionalism
3.	Level of respect
4.	Willingness to listen
5.	Keeping you informed and up-to-date
6.	Promptness in providing service
7.	Accuracy of the information provided
8.	Effectively handling compensation issues
9.	Understanding needs

### Days to First Cheque

The timeliness of benefits is an important factor in injured worker satisfaction. The following graph illustrates the Commission's recent performance in this area for all claims and for "manageable" claims.



"Manageable" includes all claims except those:

1. That were filed late;
2. In which there was initially no lost time;
3. Accepted via an Appeals Tribunal decision;
4. In which a third party is involved; or
5. Requiring special investigations, such as occupational diseases, fatalities, and pre-existing conditions.

The average number of days to first cheque for all claims in the second quarter of 2003 was 28.3 workdays. This is:

- Down 3.4% over the 1st quarter 2003 (29.3 days), and
- Down 5.3% over the 2nd quarter last year (29.9 days).

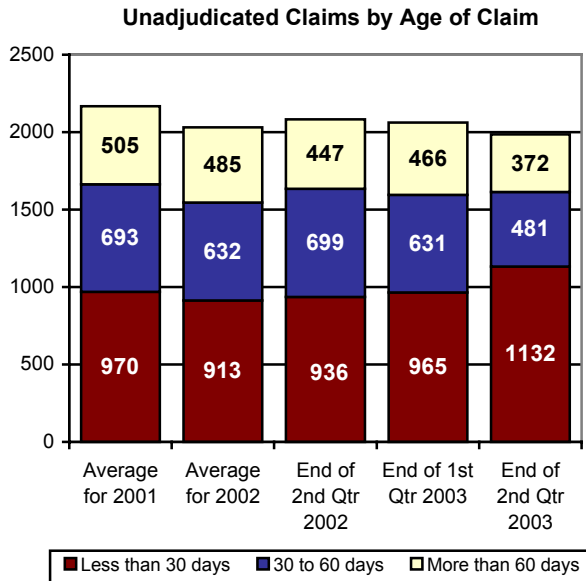
The average wait in "manageable claims" this quarter was 16.5 workdays. This is:

- Down 3.5% over the 1st quarter 2003 (17.1 days), and
- Consistent with the same quarter last year (16.5 days).



## Unadjudicated Claims

Another important factor in injured worker satisfaction is how long workers wait to find out if the Commission will accept their claims. The chart below shows the age of the claim and number of claims in the backlog.



There were 1,985 claims in the backlog at the end of the second quarter 2003. This is:

- Down 3.7% over the 1st quarter 2003 (2,062), and
- Down 4.6% over the 2nd quarter last year (2,082).

## Activities

### Approved Policies

During the second quarter of 2003, the WHSCC Board of Directors approved the following policies: Policy No. 21-207 Pension Benefits - Pre - 1982 Accidents, Policy No. 25-001 Standards of Care and Policy 21-220 Claim-Related Travel Expenses and related fee schedules.

The Board of Directors' review of Estimated Capable Earnings and Rehabilitation policies is ongoing. In addition, the Board began review on a new framework for Homecare and Independence Policies.

# 3

## Return to Work

### Goal

“We will decrease the time by which injured workers return to pre-accident, modified or alternate employment.”

### Measure

The Commission utilizes a measure that focuses on return to work rates. This measure provides information on the percentage of injured workers that actually return to work within a range of time frames. It also tracks the percentage of injured workers that are capable of returning to work but are not working at the time of claim disposition.

### Indicators & Analysis

The return to work goal is measured using the following tables. These tables include lost-time claims only and exclude claim dispositions where clients remove themselves from the workforce (i.e. retirement, return to school not resulting from WHSCC interventions). The data in the following tables is generated from the internal management information system and includes data from November and December of 2002 up until March 31, 2003.

Actual Return to Work			
% Returning Within	Same Job	Modified Job	Alternate Job
20 days	55.3%	0.8%	0.2%
80 days	75.3%	2.3%	1.6%
130 days	79.7%	2.5%	2.2%
260 days	85.9%	1.8%	2.4%
520 days	85.1%	2.5%	1.9%

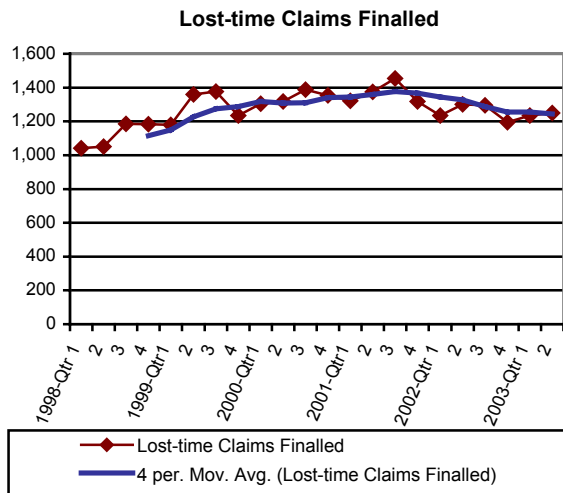
% Returning Within	Total For Actual Return to Work	Ready & Not Working	Total
20 days	56.3%	0%	56.3%
80 days	79.1%	1.7%	80.8%
130 days	84.4%	3.1%	87.5%
260 days	90.1%	4.0%	94.1%
520 days	89.5%	6.6%	96.1%

To allow sufficient tracked time, data for 20 days (4 weeks) and 80 days (16 weeks) was derived from 2002 claims; data for 130 days (26 weeks) and 260 days (52 weeks) was derived from 2001 claims; data for 520 days (104 weeks or 2 years) was derived from 2000 claims.

### Number of Claims Closed & When

Another way to view return-to-work outcomes is by looking at how many claims are finalled in the quarter, the average length of time those claims were open, and the injured worker’s status when the claim was closed.

The following graph shows how many lost-time claims were finalled each quarter. A claim is “finalled” when loss of earnings benefits cease.



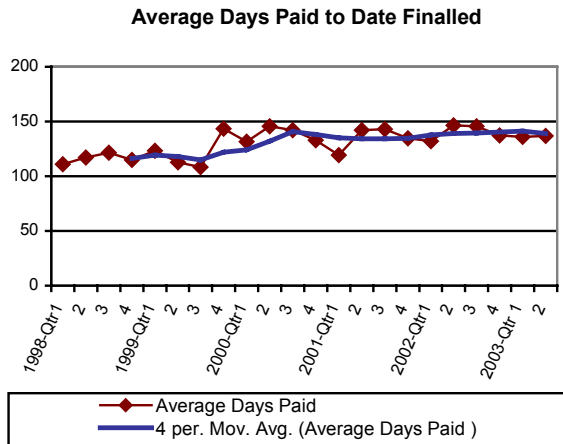
As shown by the trend line, the number of lost-time claims finalled by the Commission has decreased since the third quarter of 2001 and remains at one of the lowest levels since 1999.

There were 1,250 lost-time claims closed in the second quarter of 2003. This is:

- Up 1.2% over the 1st quarter of 2003 (1,235), and
- Down 3.8% over the 2nd quarter of 2002 (1,300).

### Days Paid to Date Finalled

The following graph illustrates the average number of days paid in all finalled lost-time claims.

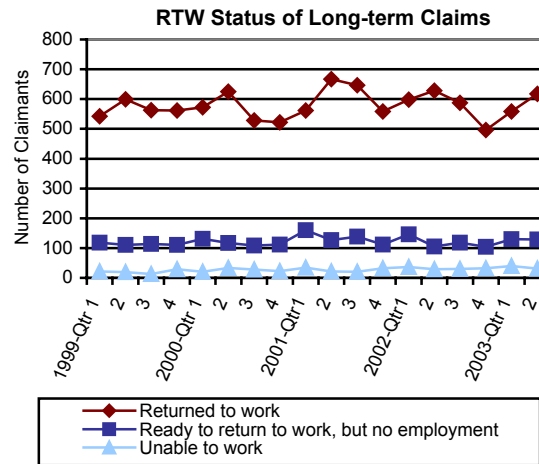


The average number of days paid before claims were finalled has been relatively stable since mid year of 2000. In the second quarter of 2003, the average days paid prior to the claim being finalled was 136.7 days. This is:

- Up 0.5% over the 1st quarter of 2003 (136), and
- Down 6.7% over the 2<sup>nd</sup> quarter of 2002 (146.5).

### Return to Work Status

The following graph shows the number of case-managed claims in which workers returned to work, or were considered by the Commission to be “ready to return to work,” or “unable to return to work” when the claim was finalled. (Return to work status information is only available for case-managed claims.)



The quarterly average of injured workers returning to work since 1999 is 578. This is lower compared to the 617 who returned to work in the second quarter of 2003. This is:

- Up 10.6% over the 1st quarter of 2003 (558), and
- Down 1.6% over the 2<sup>nd</sup> quarter of 2002 (628).

There were 129 injured workers who were considered “ready to return to work” although they were unemployed when their claims were finalised in the second quarter of this year. This is:

- Lower than the 1st quarter of 2003 (130), and
- Higher than the 2nd quarter of 2002 (105).

There were 31 injured workers who were considered unable to return to work due to a long-term disability (LTD) when their claims were finalised in the second quarter of this year. This compares with:

- 40 in the 1st quarter of 2003, and
- 29 in the 2nd quarter of 2002.

## **Activities**

### *Workers' Rehabilitation Centre (WRC)*

#### *The Durability of Return to Work*

Clients discharged from the WRC ready to return to work are being reviewed to assess the durability of their return to work – that is to say that the client successfully remains at work and/or off benefits. The review will attempt to ascertain key factors that determine successful return to work following rehabilitation. The review will also attempt to identify the causes of failed return to work.

#### *Centre of Excellence / Research*

The Centre has partnered on a research project with a psychology student completing her masters at the Université de Moncton. The purpose of the project is to identify personality characteristics that assist in coping with chronic pain and responding to psychological treatment. The research is being conducted by administering the Millon Behavioral Medicine Diagnostic Inventory to injured workers who have chronic pain. The test has been administered to 74 injured workers. The project is in the analysis stage.

The WRC is pursuing a collaborative research project with Dalhousie University for the treatment of sleep disturbance in injured workers with chronic pain. Sleep disturbance, a common problem in injured workers with chronic pain, negatively impacts their function. The Centre will apply specific interventions to improve injured workers' sleep and measure the effectiveness of these interventions. Effective interventions will be incorporated into the rehabilitation program of injured workers.

The Centre's prosthetic staff has recently acquired additional and leading-edge knowledge in the fabricating, fitting and training of myoelectric prostheses for injured workers with upper limb amputations.

The new myoelectric technology provides a more comfortable fit and is less demanding on the body than the conventional prostheses.

The Centre is currently managing 12 injured workers with myoelectric prostheses.

#### *Open House*

In conjunction with Disability Awareness Week, the WHSCC hosted an Open House in June at the Workers' Rehabilitation Centre. There were 45 attendees, including 8 physicians from around the province.

In addition to the Open House, the physicians attended a College of Family Physicians accredited educational program titled “Occupational Rehabilitation.” The topics included Third Party Medicine, Continuum of Care, Functional Capacity Evaluations and Practical Management of Chronic Non-Cancer Pain.

The physicians rated the day's events as excellent.

### *Continuous Improvement*

The Centre continues to review and revise services in an effort to improve upon outcomes. The Centre is acquiring advanced knowledge in the area of myoelectric prostheses, and modifying treatment programs to improve return-to-work results.

### *Accreditation*

The Centre is scheduled for a re-accreditation site visit in October 2003 by the Canadian Council on Health Services Accreditation (CCHSA). The accreditation program provides one of the most effective measures by which health care organizations can accurately assess their level of service. The program focuses on ways to continuously improve this level of service.

### *Disability Management Project*

During the second quarter of 2003, 31 meetings or in-service sessions were held with 33 different workplaces, involving 179 staff / employees. Generally speaking, these sessions were provided to offer training / education on the various components of Workplace Disability Management programs. In addition, 9 workplaces were offered assistance with the completion of Job Task analyses to aid in the development of their program.

### *Additional Services*

All regional offices conducted information sessions in May on the Case Management Process & WHSCC's Disability Management Program. A total of 245 participants (employers / employees) took part in these sessions.

On April 5th, the Disability Management Coordinator participated in a medical-legal conference held in Fredericton entitled, "Breaking Down the Barriers to Return-to-Work" speaking on the topic of how to develop a workplace Disability Management Program.

A total of 4 workshops on the topic of completing job analysis for disability management program development were held in various locations throughout the province in both official languages between May 12<sup>th</sup> and 15<sup>th</sup>, 2003. These workshops were attended by 50 delegates, representing 34 workplaces.

### *Materials*

Our revised booklet: *Workplace Disability Management: A Guide to Establishing a Program in Your Workplace* was printed and circulated to various WHSCC offices. This booklet will also be placed on the Commission Web site.

### *Cadre of Family Physicians*

The Commission is establishing a network of family physicians to assist in the management of medically off-track cases. The 2003 budget provided funding for sessional fees for a network of family physicians to provide:

- Assessment, investigation, treatment and follow-up for WHSCC clients who are without a family physician, at the request of the Commission;
- Assessment and investigation of WHSCC clients early on in a claim, at the request of the client's family physician. The purpose is not to assess and investigate clients who have been previously assessed by a specialist;
- Treatment and follow-up of WHSCC clients who have a family physician, at the request of that family physician; and
- Assessment and investigation of WHSCC clients at the request of the Commission, to address specific issues.

As of July 21st 2003, the Commission had received responses from physicians in the Northwest, Southwest and Southeast regions to provide 3.5 hours of medical services per week. This can be expanded if there is sufficient volume. A physician has been selected

in the Southeast and Northwest regions. The Moncton physician began seeing claimants on July 10th. The Edmundston physician will begin seeing patients on August 18th. The Southwest region will be interviewing physicians for the Fredericton and Saint John areas on July 22nd.

### *Physiotherapy Consultant to Case Management*

The Commission has hired a physiotherapist to assist in the management of medically off-track cases, where the claimant is receiving physiotherapy. The new position resides in the office of the Chief Medical Officer. The major role of the new consultant will be to assist case management with claimants receiving primary physiotherapy. A secondary role will be to assist with determining if the work conditioning program is appropriate for the claimant.

### *Work Conditioning Network*

The two-year contract for the current network of work conditioning clinics comes to an end on September 3, 2003. An RFP for a three-year contract was issued at the end of June. Closing date is July 31st.

### *Clinician Community Rapport*

Dr. Gozna, Senior Medical Consultant, continues to be invited by physicians to speak at local community hospital's continuing education programs. A hot topic is "Third Party Medicine: Principles and Pitfalls." Dr. Gozna wrote an article for the New Brunswick Medical Society's (NBMS) July newsletter on "3rd-Party Forms: Principles and Pitfalls."

Form 10 "Physician's Progress Report" is being distributed. The French Form 8 has been approved for printing and should be distributed shortly. The French Form 10 is in translation. The guidelines for opioid prescribing have been forwarded to the NBMS Healthcare Committee for approval by the NBMS.

The Commission hosted the second annual work conditioning clinic meeting on May 23rd, to present information on outcomes and to discuss issues around service delivery. The second annual regional physiotherapy clinic-case management meetings were held in the first two weeks of May. The focus of these meetings was to provide interaction between physiotherapists and case managers around the enhanced medical management and functional restoration approach to care management.

# 4

## Assessments & Funding

### Goal

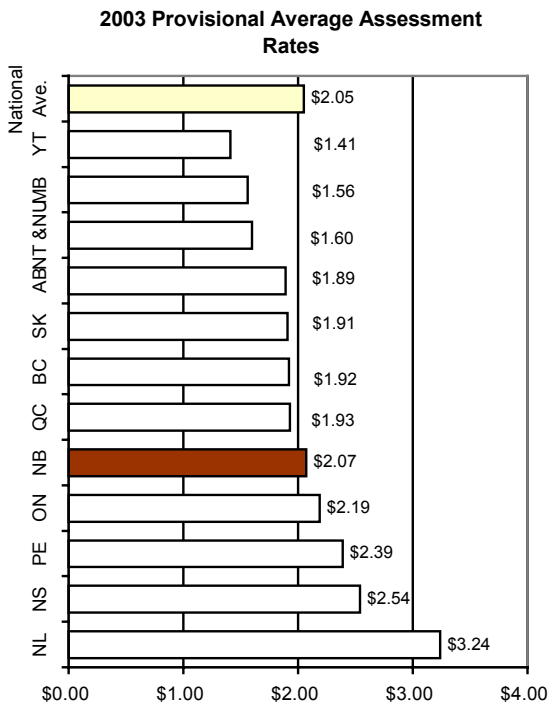
“We will hold the assessment rates to employers at the lowest level possible, consistent with the best possible benefits to clients.”

### Measure

At a minimum, we will maintain a fully funded liability.

### Indicators & Analysis

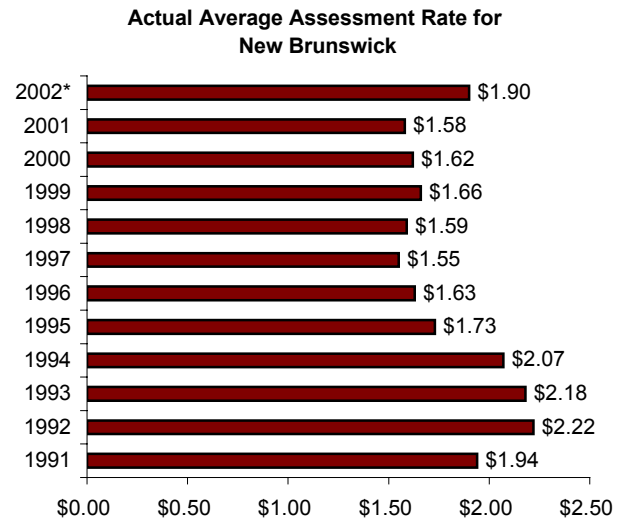
#### Assessment Rates Across Canada



Note: Caution should be exercised when comparing provinces' and territories' average assessment rates. Interjurisdictional differences in extent of coverage, industry mix, benefit levels, and assessable maximums can affect rates.

Our provisional average assessment rate for 2003 is \$2.07. This is comparable to the national average of \$2.05.

The goal speaks to “holding” the rates at a low level. The following chart shows the movement in the average assessment rate in New Brunswick since 1991.

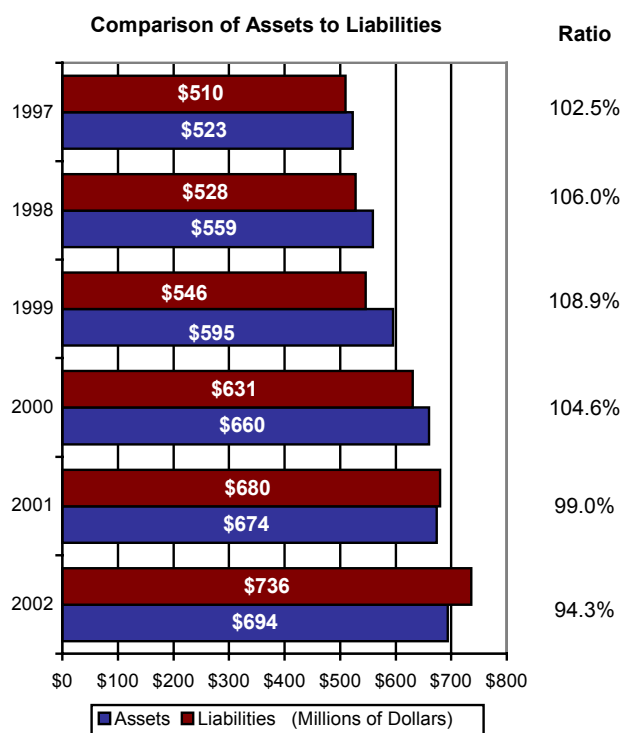


\*Provisional average assessment rate

AWCBC Provincial Benefit Comparison for 2003			
PRV	% Earnings Based	Waiting Period	Max. Comp. Earnings
YT	75% gross	No	\$66,200
ON	85% net	No	\$65,600
NT & NU	90% net	No	\$64,500
BC	90% net	No	\$60,100
AB	90% net	No	\$58,800
MB	90% net 1st 24 mths of cumulative benefits, then 80% net	No	\$55,620
QC	90% net	No	\$53,500
SK	90% net	No	\$51,900
NB	85% loss of earnings	3/5ths of wkly benefits	\$48,400
NL	80% net	No	\$45,500
NS	75% net 1st 26 wks, then 85% net	2/5ths of wkly benefits	\$41,800
PE	80% net 1st 38 wks, then 85% net	3/5ths of wkly benefits	\$40,000

### Comparison of Assets to Liabilities

Fully funded liabilities occur when the sum of the Commission's financial obligations are fully covered by the Commission's assets. The following illustrates the ratio of the Commission's assets to liabilities from 1997 to 2002.



### Statement of Operations and Cash Flow

The Statement of Operations details the Commission's income and expenses for the first six months of 2003 compared to the budgeted figures, and to the corresponding period for the previous year. The Statement of Cash Flows details the cash received and paid for the first six months of 2003 compared to the corresponding period for the previous year.

Unaudited Statement of Operations For the Six Months Ending June 30, 2003			
	Budget YTD	Actual YTD	Previous YTD
	(000's)	(000's)	(000's)
<b>Income</b>			
Assessments including self-insured	\$78,156	\$75,683	\$65,951
Investments and other	22,516	2,804	7,259
Province of NB	450	450	450
	<b>\$101,122</b>	<b>\$78,937</b>	<b>\$73,660</b>
<b>Expenses</b>			
Claims costs incurred	81,068	86,735	78,702
Administration	14,942	13,673	12,951
Appeals Tribunal	698	510	571
Legislative obligations	410	510	417
Risk management rebates	150	102	208
	<b>\$97,268</b>	<b>\$101,530</b>	<b>\$92,849</b>
Excess of income over expenses for the period	<b>\$3,854</b>	<b>(\$22,593)</b>	<b>(\$19,189)</b>

Assessment income for the six-month period ending June 30, 2003 was less than budgeted by \$2,473,000. Investment income for the same six-month period was \$19,712,000 less than budgeted.

Total expenses for the six months ending June 30, 2003 were over budget by \$4,262,000. Claims costs were greater than budget by \$5,667,000. Administration, Appeals Tribunal costs, and Risk Management rebates were lower than budgeted by \$1,505,000 while Legislative Obligations were greater than budgeted by \$100,000. The above results yield a deficiency (loss) of (\$22,593,000) compared to a budgeted excess of income over expenses of \$3,854,000.



Unaudited Statement of Cash Flows For the Six Months Ending June 30, 2003		
	Actual YTD	Previous YTD
	(000's)	(000's)
<b>Cash flow from operating activities:</b>		
Cash received from:		
Assessed employers	\$ 75,955	\$ 67,640
Self-insured employers	10,305	10,888
Investments	2,804	7,243
Province of New Brunswick	<u>900</u>	<u>900</u>
	<u>89,964</u>	<u>86,671</u>
Cash paid to:		
Injured workers or third parties on their behalf	57,531	54,398
Suppliers and employees, for administration and other services	<u>14,758</u>	<u>14,743</u>
	<u>72,289</u>	<u>69,141</u>
<b>Net cash provided by operating activities</b>	<b>17,675</b>	<b>17,530</b>
<b>Cash flow from investing activities:</b>		
Cash paid for:		
Purchase of capital assets	<u>419</u>	<u>498</u>
<b>Net increase in investments</b>	<b>17,256</b>	<b>17,032</b>
Investments, beginning of period	<u>579,821</u>	<u>569,297</u>
<b>Investments, end of period</b>	<b><u>597,077</u></b>	<b><u>586,329</u></b>

## *Investment Portfolio Overview*

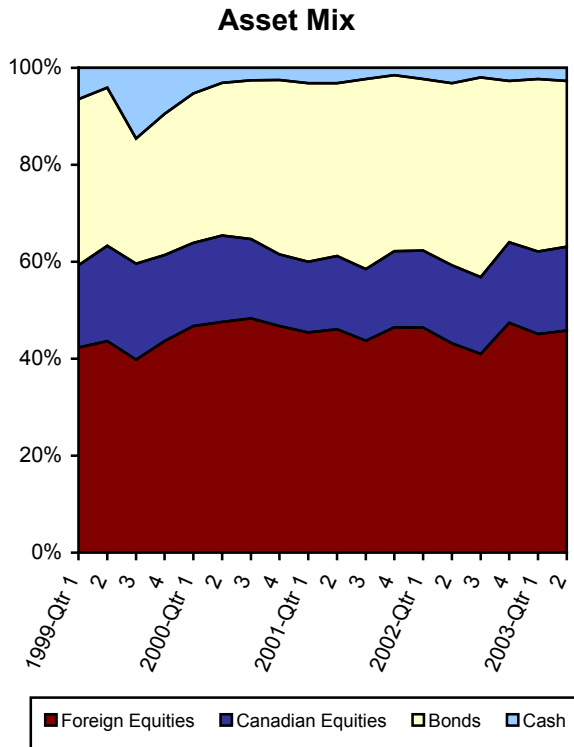
### *The Markets*

The initial success of U.S. led military action in Iraq in the second quarter led to a rally in global equity markets. The WHSCC portfolio was again negatively affected by the strong Canadian dollar, which gained 8.0% relative to the U.S. dollar in the quarter. However, most World equity markets still posted significant gains for the quarter in Canadian dollar terms. Emerging markets equities led the advance this quarter, with the MSCI EMF (CAD) gaining 13.97%. Canadian and Inter-

national equities also had good returns, with the S&P TSX and the MSCI EAFE (CAD) gaining 10.62% and 10.17% respectively. U.S. equities (S&P 500 (CAD)) returned 6.59% for the quarter and the Canadian bond market had a good quarter as well with the Scotia Capital Universe index increasing 5.09%.

The Canadian economy is continuing to grow faster than the U.S. with Gross Domestic Product (GDP) growing at a rate of 2.4% during the first quarter of 2003. The Canadian labour market weakened somewhat in the second quarter, losing 32,000 jobs in April and May. Canada's overall inflation rate slowed in the second quarter of 2003, with the year over year inflation rate at 2.9% in May, down from 4.6% in February. The weakening trend in the Canadian economy as a result of a stronger dollar, combined with the effects of SARS and an isolated case of mad cow disease, caused the Bank of Canada to reverse trend and cut its key policy rate by a quarter point at its July 15 meeting.

U.S. GDP grew at an annualized rate of 1.4% in the first quarter of 2003. The annual unemployment rate rose to 6.1% as of the end of May, up from 5.8% at the end of March. The overall annualized U.S. inflation rate decreased to 2.1% in May. The Fed cut interest rates by a quarter point in June, and they noted that financial conditions, as well as labour and product markets, seem to be stabilizing, but the economy has yet to show sustainable growth.



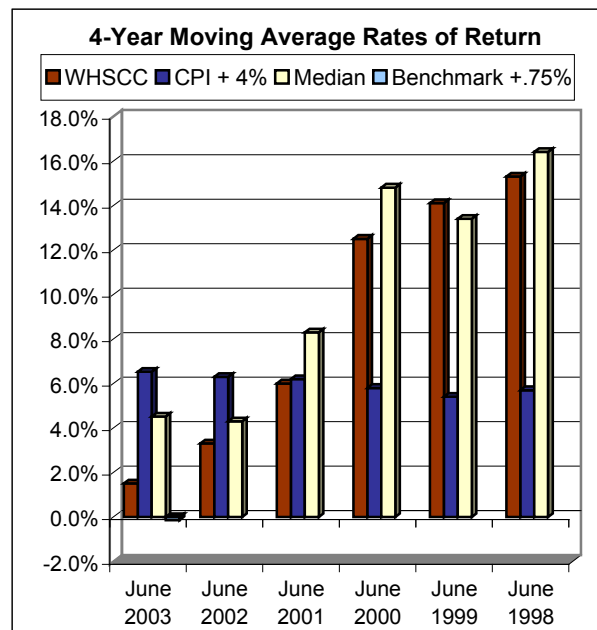
As of June 30, 2003, all asset classes are within their target ranges as defined by policy.

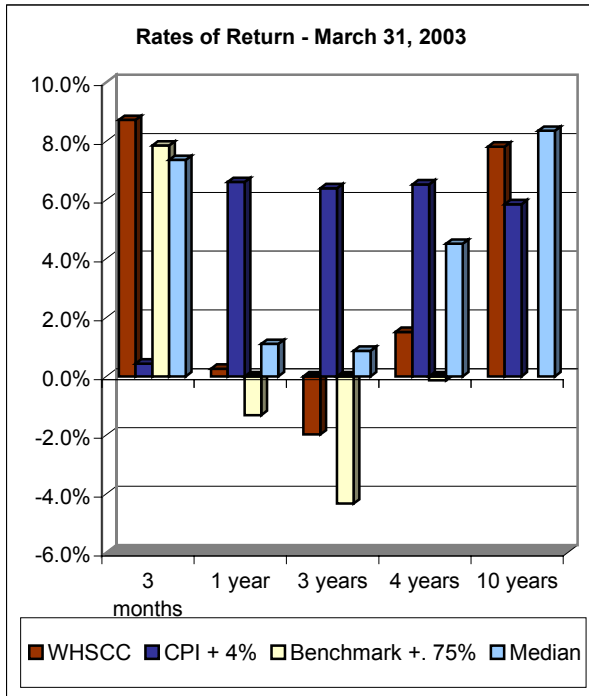
### Fund Performance versus Policy Objectives

The WHSCC portfolio outperformed its benchmark this quarter, and benefited from significant positive returns in World equity markets. The WHSCC portfolio produced a quarterly return of 8.7%, compared to 7.7% for the benchmark. Asset mix deviations cost 0.2% in performance during the quarter, with the largest contributor being the underweight position in International (EAFE) equities. Security selection added 1.2% in performance for the quarter. Canadian, U.S., International (EAFE) and emerging markets equities managers all added value relative to their benchmarks this quarter. Bonds underperformed their benchmark slightly this quarter. The most significant contribution from active management came from U.S. equities.

Negative returns in the majority of the World's equity markets over the last few years make it difficult to reach the performance goal of CPI + 4% on a four year annualized basis. In the second quarter, the portfolio easily exceeded the CPI + 4% target, which was 0.4%. The WHSCC portfolio's overall performance also exceeded that of the median fund during the quarter. The median balanced fund in the SEI universe returned 7.4% for the quarter (data is not yet available for the Frank Russell Canada Universe).

The illustrations below depict the fund's rate of return over various time periods relative to the three objectives outlined in the WHSCC's policy on Investment Goals and Objectives: (1) CPI + 4%, (2) the benchmark portfolio + 0.75%, and (3) the median return of a recognized universe. Only four years of data is available for the second objective (relating to the benchmark portfolio). The policy's objective is to exceed each of these over four-year periods. (Data sources: TD Quantitative Capital, UBS Global Asset Management)





Data sources: TD Quantitative Capital, UBS Global Asset Management

## Activities

### *Internal Audit*

Audits completed / in progress at the end of the second quarter of 2003 include: Benefit Payments, Entitlement Decisions, Business Continuity Planning and Information Technology Threat Assessment.

### *Fraud & Abuse*

A recent investigation by the Commission's investigative staff has detected an unregistered employer, resulting in assessment revenue, which will be based upon a payroll of over \$350,000.00 during the expected lifetime of the employer's business. Investigations also detected worker abuse resulting in termination of benefits. The amount of \$356,000.00 in one instance and \$266,204.00 in another would have been paid in future benefits, had the abuse not been detected. On average, the staff investigators complete 21 investigations monthly.

# 5

## WHSCC Staff Satisfaction

### Goal

"Our employees will consider the Commission a good place to work."

### Measures

Employee satisfaction surveys will produce a consistently high rating. In addition, other indicators that will be measured in support of the objective include:

- Absenteeism;
- Accepted Claims for Commission Staff;
- Internal Promotions; and
- Staff Turnover.

### Indicators & Analysis

Research has shown that there are many internal measures that may indicate workers' satisfaction. High turnover, low attendance and high accident rates may suggest that workers were less than satisfied with an organization and their job, whereas promotions, high attendance and low accident rates may suggest that workers are satisfied with an organization and their job.

### Wellness Program

During this quarter, the Wellness Program concentrated on:

- April - Cancer Awareness Month
- May - Fitness Month
- June - Mental Health Month

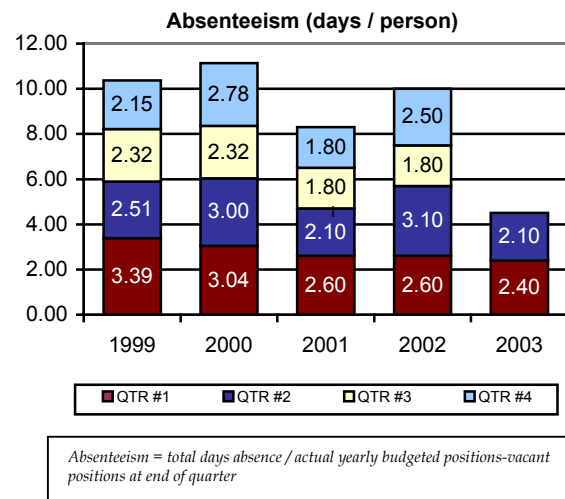
Local Committees developed activities under each of these topics. Some of these activities included: Bone Elasticity Testing; Stress

Quiz; Diet and Nutrition Counseling; Fitness Appraisals; and Harbour Walk.

A Provincial Wellness Committee meeting was held in June to start plans for 2004.

### Absenteeism

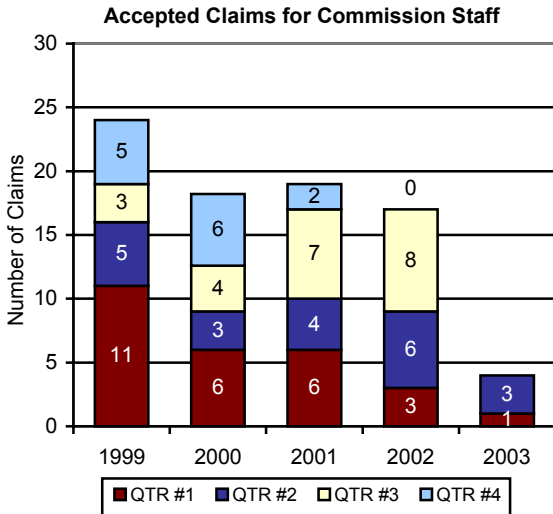
Attendance for this quarter is 2.1 bringing the total for 2003 to 4.5. Previous years' total at the end of the second quarter was 5.7. The rate for 2003 is the lowest rate in the last number of years.



Managers and the Human Resources Department continue to work with staff on maintaining a positive attendance pattern. The Return-to-work Program assisted in returning four (4) employees to their regular full-time duties during the second quarter and continues to work with many others.

### Accident Analysis

Three claims that occurred in the first quarter were accepted and one claim that occurred during this quarter was accepted.



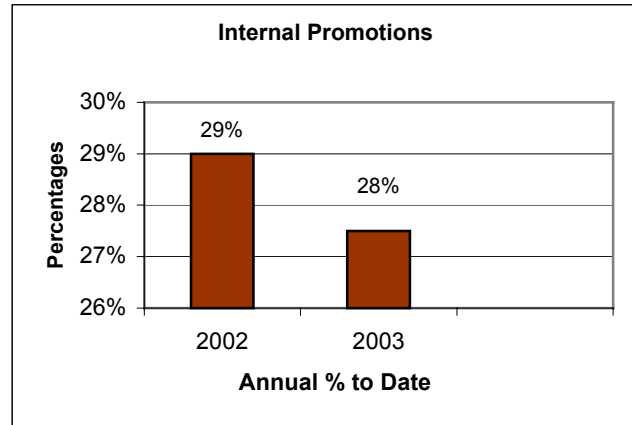
Note: The number of accepted claims reported in any quarter can change because accidents are not always adjudicated within the quarter they occur in. Any claims accepted outside the quarter they occur in will be noted in the next quarter report.

The 2003, Health & Safety Plan continues to follow planned objectives. Specific activities that occurred during the second quarter include: an audit by the Joint Health and Safety Committee and the Human Resources Department, a three-day intensive training program for the members of the Joint Health and Safety Committee; the commencement of a job hazard analysis on all positions within the organization, the approval of an accident investigation directive and procedure; the development of a hazard identification directive and procedure and the delivery of Safety Talks by the Joint Health and Safety Committees.

### Internal Promotion

There were 30 competitions that closed during this quarter. Nineteen (19) (63%) of these were posted internally and eleven (11) (37%) went external to complete the competitive process.

Of the 30 competitions that closed during the quarter, there were 8 that resulted in employee promotions, bringing the total for 2003 to fourteen (14) (27.5%).



### Staff Turnover

This quarter, five staff terminated their employment. Three retired, one resigned and one was terminated during probation. There were eight new permanent staff hired during the quarter, bringing the total amount of new staff hired to seventeen for a turnover rate of 2.46%

