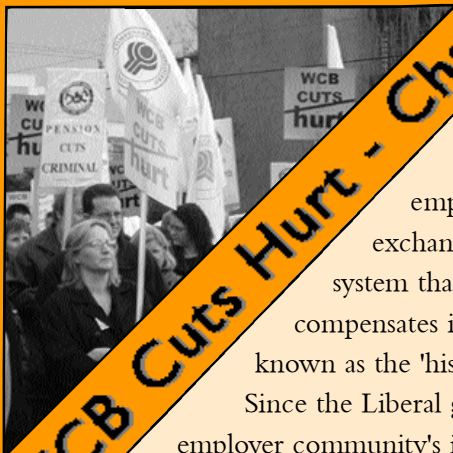


WCB CUTS Hurt



What kind of a WCB do you want?

In 1917, B.C. workers gave up their right to sue their employers for workplace injuries. In exchange, employers agreed to pay for a system that provides medical assistance and compensates injured workers for lost income. This is known as the 'historic compromise'.

Since the Liberal government was elected in 2001, the employer community's influence has shaped workers' compensation. As a result, changes at the WCB appear to only benefit employers. Sadly, many people now call the WCB the "Employers' Compensation Board", when expressing how badly the historic compromise has been undermined.

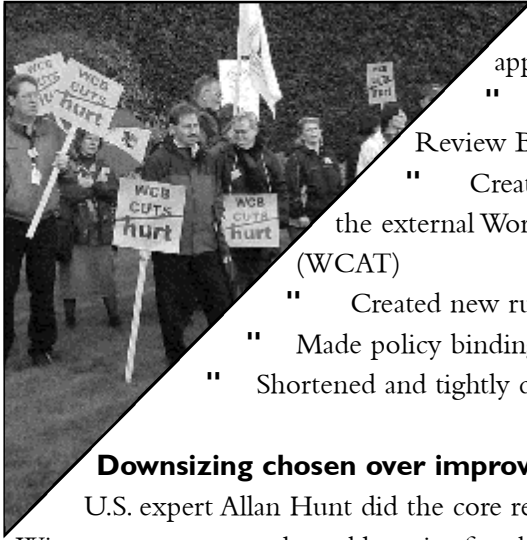
2001 - the beginning of massive change at the WCB

Shortly after its election, the government decided to conduct two core reviews of the WCB - one on benefits and appeals and the other on service delivery.

Allan Winter reviewed benefits and appeals. His report was used as the basis for sweeping changes.

Bill 49 introduced changes to the *Workers Compensation Act* that:

- " Reduced the wage replacement benefit to 90% of net
- " Reduced the CPI benefit
- " Eliminated the lifetime pension provision
- " Drastically reduced the Loss of Earnings (LOE) pensions
- " Clawed back the CPP Disability benefit



Bill 63 completely overhauled the appeal function. The bill:

- " Eliminated the Appeal Division, Review Board, and Medical Review Panel
- " Created the internal Review Division and the external Workers' Compensation Appeals Tribunal (WCAT)
- " Created new rules on claims re-openings
- " Made policy binding
- " Shortened and tightly controlled the timelines for appeals

Downsizing chosen over improved service

U.S. expert Allan Hunt did the core review of service delivery. While the Winter report was used as a blueprint for change, the Liberal government ignore Hunt's findings. In his March 2002 report, Hunt looked at recent studies comparing systems in Ontario, B.C., and 45 U.S. states. These studies found B.C. *"...to be the most efficient workers' compensation system in North America by a considerable margin"* after controlling for differences in benefits, the incidence of claims, coverage issues, the underlying injury rate, union density, and other factors.

What was the government's response to the service review?

- " Eliminate or contract out over 500 Compensation Employees' Union (CEU) positions at the WCB.
- " Close the Williams Lake, Vernon, and Campbell River offices and partially close the Cranbrook office. (Two safety officers still work there.)
- " Close the world-renowned Rehabilitation Clinic. Contract out those services to a network of private, for profit clinics.
- " Close the print shop. Workers and employers must now purchase forms, the OH&S Regulation, and educational publications from private contractors or download them from the Internet.
- " Close the switchboard and replace the service with an automated answering system. Lay off the operators.
- " Contract out the mailroom and central stores to Aramark.

- " Contract out electronic scanning, indexing, and disclosure services to Microcom.
- " Contract out medical transcription to the private sector.
- " Eliminate the first aid officer position. Contract out first aid training.
- " Close the laboratory. Contract out the services needed by prevention officers.
- " Eliminate WHMIS coordinators and information specialists. Significantly reduce occupational audiologists, ergonomists, and prevention educators. This means that some programs and services have been cut or severely curtailed. Prevention officers have less support in their field activities and increased workloads.
- " Reduce the number of prevention officers inspecting workplaces to the lowest level in a decade. At the end of 2004, the WCB reported only 138 full time equivalent (FTE) safety and hygiene officers compared to 192 FTEs in 2001. The result? Worksite inspections are down by 27% and the number of orders written is down by 44% since 2001.

Do WCB statistics justify such cuts? You be the judge. The injury rate for young workers is up. Fatalities are up, including young worker fatalities. Permanent injuries are up.

Some of Hunt's recommendations were about improving service. What was the response?

- " Reduce support and front line services in compensation.
- " Reduce the level of team assistants supporting case managers and vocational rehabilitation consultants. Transfer administrative functions to the adjudicative and rehabilitative staff.
- " Reduce client service representatives, claims capture clerks, medical secretaries, office assistants, service expeditors, and others.

WCB management keeps promising better service. But, in most departments, there are fewer CEU members expected to 'do more with less'.

Change didn't stop at downsizing and reducing benefits

Due to the Liberal government's "red tape" initiative, the Board of Directors has overseen the cutting of more than a third of WCB's so-called "regulatory

burdens". Neither workers nor employers regard getting rid of health and safety regulations as beneficial.

The Board has also directed the steady reduction of assessment rates. Employers have paid millions of dollars less in assessments as a result of the cuts to injured workers' benefits.

In 2004, the WCB introduced "industry segmentation". Touted as a new "customer-centric strategy", its objective is to align service delivery teams along industry lines. This means different industries have designated contacts at the Board, but injured workers may not have their claims handled in the geographic regions they live in.

Is there an end in sight to the change?

No. The WCB recently announced it's developing a claims management-common payment system. It will replace and integrate a number of separate systems at the cost of about 165 CEU jobs. Billed as a means of managing claims faster, more significantly, it's also the platform for an automated claims adjudication system. It eliminates human intervention, standardizes benefit levels, and invites employer payment of some claims. This would further undermine the principles of fair compensation in an employer-funded, public compensation system.

What can you do?

You can make a difference in the upcoming provincial election, if you're concerned about the future of the workers' compensation system.

- a Go to all candidates meetings. Ask the candidates about their views on workers' compensation.
- a Talk to your co-workers, friends, and family members about your views on what makes a viable workers' compensation system.
- a Participate in the B.C. Federation of Labour's Count Me in Campaign.

Most important, **make your vote count for a fair and public workers' compensation system on May 17, 2005.**

Authorized by the CEU, a registered sponsor, Stan Reese, 604-278-4050

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