



Third Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

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**STANDING COMMITTEE  
on  
PUBLIC UTILITIES  
and  
NATURAL RESOURCES**

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39-40 Elizabeth II

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*Chairperson  
Mr. Jack Reimer  
Constituency of Niakwa*



**VOL. XLI No. 11 - 10 a.m., TUESDAY, JUNE 23, 1992**



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

**Members, Constituencies and Political Affiliation**

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<b>NAME</b>	<b>CONSTITUENCY</b>	<b>PARTY</b>
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Guizar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON**  
**PUBLIC UTILITIES AND NATURAL RESOURCES**  
**Tuesday, June 23, 1992**

**TIME – 10 a.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Jack Reimer (Niakwa)**

**ATTENDANCE - 10 - QUORUM - 6**

*Members of the Committee present:*

Hon. Messrs. Enns, Praznik

Messrs. Ashton, Gaudry, Helwer, Reid,  
Reimer, Rose

\*Substitutions:

Mr. Neufeld for Hon. Mrs. McIntosh

Mr. Sveinson for Mr. Penner

**APPEARING:**

Graham F.J. Lane, Chief Executive Officer,  
Workers Compensation Board

**MATTERS UNDER DISCUSSION:**

To consider the Annual Report of the Workers Compensation Board for the year ended December 31, 1991, and the 1992 Five Year Operating Plan of the Workers Compensation Board

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\* (1005)

**Clerk of Committees (Ms. Bonnie Greschuk):** Will the committee on Public Utilities and Natural Resources please come to order. I have before me the resignation of Mr. Penner as Chairperson of the Standing Committee on Public Utilities and Natural Resources which I will read at this time: I hereby resign as the Chairperson of the Standing Committee on Public Utilities and Natural Resources effective immediately, Jack Penner, effective June 23, 1992, at 12:10 a.m.

The floor is now open for nominations.

**Mr. Edward Helwer (Gimli):** I would like to nominate Mr. Jack Reimer as Chairperson.

**Madam Clerk:** Mr. Jack Reimer has been nominated. Are there further nominations? Since

there are no further nominations, will Mr. Reimer please take the Chair.

**Committee Substitutions**

**Mr. Helwer:** Mr. Chairperson, I wonder if I could have leave to make two committee changes? [Agreed]

I would like to move that the member for Rossmere (Mr. Neufeld) replace the honourable member for Assiniboia (Mrs. McIntosh), and also that the member for La Verendrye (Mr. Sveinson) replace the member for Emerson (Mr. Penner) at this morning's sitting. Thank you. [Agreed]

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**Mr. Chairperson:** Would the Standing Committee on Public Utilities and Natural Resources please come to order. This morning the committee will be considering the December 31, 1991, Annual Report on the Workers Compensation Board and the 1992 Five Year Plan of Workers Compensation Board.

This morning marks the first time that these reports have been referred to the standing committee for consideration. There is no requirement for the committee to pass these reports; however, these reports have been referred to the committee to give committee members the opportunity to raise questions. Once the committee has exhausted its questioning, committee rises without passing the report.

I suggest to the committee that the usual committee process for the consideration of annual reports be employed; that is, the minister responsible will give an opening statement, followed by opening statements from the opposition critics and from the officials of the Workers Compensation Board, if applicable. Then the general questions on the reports will be conducted. Is this agreeable to the committee? [Agreed]

Does the minister responsible have an opening statement, and did he wish to introduce the officials

in attendance from the Workers Compensation Board?

**Hon. Darren Praznik (Minister responsible for and charged with the administration of The Workers Compensation Act):** Yes, thank you, Mr. Chairperson. As you have indicated, this is a first under the amendments that were made to the act last year. This is the first time in the 75-year history of the Workers Compensation Board that the board has had a legislated requirement to come before a committee of this Legislature.

It is my pleasure today to introduce to you senior staff who are with us from the Workers Compensation Board. I have the chief executive officer to my left, Mr. Graham Lane; as well, Mrs. Karn Sandy who is the corporate secretary; Mr. Alan Scramstad who is the general counsel of the board; Mrs. Lori Ferguson-Sain, who is also counsel to the board; Mr. Brian Riach, who is director, Quality Assurance; and Mr. Wayne Buck who is a planning officer with the board.

Mr. Chairperson, I will begin my statement by reviewing some of the progress which has been made in reforming workers compensation over the past four or five years, then highlight for you the contents of the board's 75th annual report and First Five Year Operating Plan. I must also indicate to the committee that this is the first time in the 75-year history of the board that they have had a requirement to provide a five-year operating plan.

As most of you know, Workers Compensation evolved over a considerable period of time in Manitoba. It was founded on the principles of Mr. Justice William Meredith's report that he prepared in 1914-1915. Over the past 75 years, the Manitoba program has been enriched and expanded in various material ways. For example, the compensation rate has gradually evolved from 55 percent of gross earnings after a lengthy waiting period in 1917 to 90 percent of net earnings from the day after the accident today.

It is worthwhile, however, to recall Mr. Justice Meredith's key principles: Firstly, that workers compensation is a no-fault system; secondly, that workers compensation covers work-related injuries; thirdly, workers compensation provides an array of benefits, long-term disability and accidental death and dismemberment; four, costs are borne entirely by employers, generally through collective liability;

and five, workers compensation is administered by the state in a nonpartisan fashion.

I might add with respect to the last point, that Mr. Justice Meredith had the following specific comment to make, and I quote: Some persons take strong grounds against the administration of the act being committed to a board appointed by the state. The view being that such a board will be influenced by partisan political considerations in practically all its doings. I have no such fear.

Consistent with the election commitment of this government, I and my predecessor have been scrupulously concerned with ensuring that Workers Compensation operates in an independent public agency at arms length from government. As I said in the Legislature a couple of weeks ago, when under questions as to why I did not fix a particular claim or change a particular policy of the WCB, it is not the minister who adjudicates claims, it is adjudicators at the Workers Compensation Board. It is not the minister who sets policy, it is the board of directors of the Workers Compensation Board, who consist as members of the committee now of nine members plus a chair, three of whom are nominated by labour and three by business and three who are public interest. It is not the minister who handles appeals as well, it is the duly constituted and independent appeal commission, again appointed from a group of nominees from business, labour and the public interest.

\* (1010)

Nonetheless, the government remains, however, committed to excellence in public service and has regularly expressed its concerns to the WCB regarding systemic service issues. I would indicate very clearly to members that I do not at any time acknowledge that things are perfect at the Workers Compensation Board, but certainly improving service is one of our priorities.

Let me take note, for the information of members, of the following service improvements since 1988: Unadjudicated claims have declined from 3,500 to 1,306 as of yesterday morning. The number of days required to issue a first cheque has declined from 35 days in 1988 to 17 days today. The number of claimants receiving rehabilitation and job search services has increased by 50 percent, despite public allegations that vocational rehabilitation services are being wound down. The time between an application to appeal and a hearing at the appeal

commission has declined from 30 weeks in 1988 to 12 weeks currently. Similarly the time for a medical review panel to be convened has declined from 37 weeks to 12 weeks. The time required to service a request for a file copy has declined from 24 weeks to two weeks. The number of actual job placements has increased 80 percent, while the number of vocational rehabilitation cases resolved with a return to work has increased 40 percent. Financial stability has been restored. The unfunded liability has declined by 60 percent, while rates have declined by 10 percent.

These improvements have been achieved through considerable investment in staff and organization. For example, WCB staff has increased by almost 100 since 1988; the number of adjudicators has doubled. The Worker Advisor office, with the assistance of the WCB, because that is paid for by Workers Compensation Board, has expanded its complement by nearly 25 percent. A Fair Practices office has been created, Research and Planning, Human Resources, Communications and Client Services Branches formed. A Corporate Secretary office has been created and Information Services group has expanded.

Regular staff trips are now made to northern Manitoba. Approximately 10 new medical doctors, including three orthopedic surgeons, a neurologist, four or five general practitioners, as well as an expert in occupational medicine, have been recruited. I would point out to members that last fall I indicated in the House that I had asked the board and board administration to do a review of our medical unit at the board. The increase in the number of our doctors and the recruitment of many new and younger physicians was the result of that request.

A new effective inquiry service has been established, and I would point out to members that the request for a file, up until just a few months ago, until we did that reform, could take up to two weeks in delaying the adjudication of that particular file. That has now been reduced considerably. A disaster fund has been created, protecting injured workers and employers against significant unforeseen events. Accelerated efforts to secure third-party settlements have been undertaken. These benefit both workers and employers.

Finally, as you may know, coverage was extended to the courier industry, elements of the trucking industry, and additional elements of the

construction and logging industries over the past three and one-half years.

The 1991 Annual Report of the Workers Compensation Board, which I tabled in the Legislature in April, contains a number of noteworthy highlights. For example, "One of eight workers file a claim with the WCB each year. About one-half of these claims concern time loss from work . . . Only 4% of time loss claims are rejected . . . About 2% of the claimants are required to be seen by a WCB healthcare professional." The other 98 percent are treated and examined only by their own health care professionals. Only 32 cases required the holding of an independent Medical Review Panel. In the scientifically developed opinion polls conducted during 1991 by Prairie Research Associates, 85 percent of claimants felt that they were treated fairly by the WCB. This was in contrast with other nonscientific polls usually conducted on small samples which are occasionally sponsored by various interest groups.

Other highlights include: Accidents, particularly time loss accidents, declined by approximately 15 percent in 1991. Service improvements continued at the WCB. For example, the long-term claims project brought an accelerated enhanced rehabilitation service to hundreds of claimants as reflected in a 20 percent increase in vocational rehabilitation caseloads and costs during 1991.

\* (1015)

Appeal Commissioners were comprehensively trained for the first time, and I would indicate how important it is that both adjudicators and Appeal Commissioners are able to write a judgment or a decision in which the claimant can understand the reasons why their claim has either been accepted or rejected. I think it is so important that that be done and we are taking steps to ensure that happens. Nothing is more frustrating, of course, than receiving a decision one way or the other that does not explain the reasons for that decision.

New health care specialists were employed, as I have outlined earlier. Employer access to records was enhanced, with specific safeguards for the confidentiality and protection against the release of nonrelevant material.

The Merit Surcharge Program was developed, the result of which will likely be a reduction of accidents in those workplaces that have not considered safety a priority. I would add, for

members of the committee, that one of the innovations there that I think is most useful is the linkage of our computer systems at the Workers Compensation Board to the Workplace Safety and Health Branch which was never done before, so that now the Workplace Safety and Health can target their inspections into workplaces that have significant numbers of accidents. I think all members would agree that that is critical to have that information. That was never done prior to this year.

The assessment system was streamlined and made more effective through automated clearance and assessing procedures resulting in fewer outstanding assessment accounts. The financial situation stabilized. For example, assets under the WCB administration grew by \$21 million or 5.6 percent rather than the depleting asset base of 1982, 1988. The board's investments have grown by over \$100 million.

Program expenditures grew by \$1.2 million or 1.2 percent in 1991. Total expenditures grew by \$4 million or 2.5 percent, and Class E accounts showed a modest surplus during the year of \$2.5 million.

Bill 59 was introduced without major service problems. Technology continues to be utilized at the WCB. For example, a new computer system allows for instantaneous communication amongst staff at the board, thereby improving internal communications and communications with stakeholders. A new file-flow system was installed so as to permit speedier routing of files, answering of inquiries, and so on. This was sadly lacking in the board prior to 1988.

These achievements may appear to be modest, but when understood against a backdrop of what is happening elsewhere in Canada, financial stability and continuing program improvement take on a much more attractive colouration. For example, all Workers Compensation Boards in Canada in 1991, taken together, lost nearly \$2.4 billion. It is estimated that the unfunded liabilities of the system may amount today to \$20 billion and this may well be a substantial underestimate. I would point out to the members of the committee that if Workers Compensation schemes are not financially sound, the day will come in the not too distant future when the whole system will collapse.

Today, Mr. Chairperson, I am pleased to have the opportunity to review with you the contents of the WCB's first Five Year Operating Plan which lays out

mechanisms which the WCB will use to ensure that the progress which has been made over the last four or five years is preserved and extended. As members may know, the requirement for a preparation of a Five Year Operating Plan was one of the important features of Bill 59. The plan allows for appropriate legislative oversight of this important agency while maintaining an arm's-length relationship from it.

To the best of my knowledge, this is the only Workers Compensation Board in Canada which is required to prepare an operating plan. It not only provides an indication of programmatic reforms over the five years, but also the financial consequences of these reforms. In this particular plan, the WCB has gone even further by projecting its financial situation nearly 10 years into the next century. I would indicate to members that it is, again, so important that Workers Compensation Boards be accountable in their decisions.

\* (1020)

The plan takes note of the slow growth expected in the Manitoba economy over the next year and the consistent growth which is likely to occur thereafter. It also makes some observations regarding important social trends that impact on Workers Compensation. Among these are continued steady, but modest growth in the work force. The Manitoba work force is also expected to get older which will mean different kinds of accidents, likely to be more chronic rather than traumatic in nature. More women will be participating in the Manitoba work force. As well, it is expected that it will be more jobs where repetitive strain injuries or cumulative trauma disorders may play a role and that appropriate steps on the part of the Workplace Safety and Health Branch will have to be undertaken to reduce this risk.

The plan lays out reforming strategies in nine principal areas: (1) to improve the timing and quality of initial adjudication decisions; (2) to provide for early, appropriate and healthy return to work through active case management, health care management and rehabilitation; (3) to provide effective health care management; (4) to provide timely and accurate payments; (5) to ensure continuing accelerated support of long-term claimants; (6) to eliminate the remaining unfunded liability within 10 years; (7) to promote accident prevention and safety; (8) to increase the level of

stakeholder understanding; (9) to investigate potential expansion in the scope of coverage.

The five-year financial forecast contains the following information: (1) it is estimated that there will be modest revenue growth of 5 percent annually; (2) gradual expenditure growth in the general class of employers of 3 percent annually will occur. It is also estimated that assets are expected to grow at 8 percent annually while liabilities grow at 3 percent, thereby reducing the negative net worth from \$102 million today to just \$35 million in five years. Over the longer term horizon, which is to say approximately 16 years, assessment rates are expected to decline to \$1.80 per hundred of payroll over the next eight years.

The net worth of the board is expected to return to a positive position by approximately 1998; the board's assets are expected to grow to \$1 billion by 2008, this money which can be invested effectively, securely and wisely in the Manitoba economy. This is a plan which can provide assurance to members of the Legislature as well as to the employers and injured workers of Manitoba. It delineates a workers compensation system which needs to improve service to stakeholders, while ensuring that fiscal responsibility continues. This means that future payments are secure and future employers are protected from paying for past accidents.

I would like to reaffirm, even with successful completion of many of these initiatives, that workers compensation itself will remain a program with a particular focus on compensating for work-related injuries, nonwork-related injuries, pre-existing conditions. Incomes over the ceiling of \$45,500 represent intrinsic gaps in coverage. Claimants look to private insurance plans or other public insurance programs such as unemployment insurance and the Canada Pension Plan to meet these needs, as these programs were designed to do. I would also like to take note that the Workers Compensation Board of Manitoba is operated by the friends and neighbours of those who sit around this table today and indeed of all Manitobans. Approximately 300 of the 370 staff at the WCB are members of CUPE Local 1063. All staff are striving to provide excellent friendly service and I believe deserve the support of all members of the Legislature in these efforts.

Over the past year I have had the opportunity to discuss workers compensation with my counterparts and technical experts across Canada

and the United States. I had the opportunity to meet with people, for example, in the state of Kentucky. When one looks at the growing cost of compensation in the United States, driven primarily by their health system which is out of control, one realizes that across Canada even those boards who are in severe financial difficulty at the current time are still doing considerably better than their counterparts across the border.

In closing, I hope that we can take some satisfaction that the Workers Compensation Board is no longer at risk of simply disintegrating into chaos, but instead has been building a solid future as an important provider of insurance services to injured workers and to 20,000 covered employers in our province. I thank you for this opportunity and I look forward to questions.

**Mr. Chairperson:** Thank you, Mr. Minister. Does the critic for the official opposition have an opening statement?

**Mr. Daryl Reid (Transcona):** Thank you, Mr. Chairperson. I am pleased to have the opportunity today to ask questions of the minister responsible for the Workers Compensation Board and I am happy to see that there are members of the workers compensation agency, as the minister has often referred to it here today, so that we might have the opportunity to put to them the many questions that are on our minds.

\* (1025)

We have had the opportunity over the course of the last two years, being in elected office, to receive many calls, dealing with many casework problems of the individual claimants of the Workers Compensation Board. We have, through our personal experience—and I will be very frank—not met with much assistance or success in dealing with the casework problems that have been brought to our attention, and we find that to be a very frustrating situation indeed. The minister has reeled off ream after ream of statistics in a self-congratulatory fashion here today, and I do not think that this is in anyway assisting the injured workers that are in our province at the current time who find themselves without a form of income to assist them in supporting their families, something that they have had to endure as a result of a workplace accident.

I go through this annual report that has been issued and the five-year operating plan that has been issued by the minister and the Workers

Compensation agency, and I find this to be a very politically based document. I am very, very disappointed in what I see in this document here today. There is no mention of the programs or the policies that came about throughout the 1980s or prior years. It seems its history only started in 1988—

**An Honourable Member:** The place was a mess.

**Mr. Reid:** The minister says the place was a mess. Well, I can give the minister case files this high, if he wants to see the mess that he has right now and is currently dealing with or should be dealing with, that is not being dealt with. I talk about the glowing self-evaluations and the self-congratulatory fashion that the minister's comments have been here today. He should be ashamed that he would take that position.

The workers compensation system seems to be concerned with the financial situation of the board and its impact upon the employers of the province. Do not misunderstand me. It is important that we deliver a program that is efficiently run, but at the same time, the primary focus of the Workers Compensation Board has to be the injured workers in the province of Manitoba. That has to be the primary focus. What I see here, and by my personal experience, we have total inward looking at the financial situation of the board and its operations and its impact upon the employers, totally ignoring the human consequences. That is my personal evaluation. That is my personal experience that I see taking place in this province.

We have many questions relating to Bill 59 and its potential impact and what we see taking place right now currently. We also have questions relating to the rehabilitation process, or lack thereof of any rehabilitation programs. I have many cases, and I know the minister has chastised me in Question Period for my raising individual cases. He has done this time after time.

There have been press releases that have been issued by the Workers Compensation Board chastising me for the positions that I have taken in drawing to the attention of the government and the agency the individual cases, the serious cases I am talking here now, where families have lost their means of income. The injured worker is incapable of returning to work as a result of a workplace accident that he or she has not recovered from. My

personal experience indicates that we have an uncaring and inconsiderate agency.

I have concerns about board doctors. I have seen the correspondence that has been passed back and forth where one particular group in our society has been chastised by the agency for the position they have taken with respect to board doctors. I have had discussions with many private practice medical specialists in this province and in this city, and many of them have indicated to me that their decisions have been overruled. I have a hard time comprehending how we can have private practice, independent medical specialists' decisions overruled. That will be some of the questioning that we will be dealing with here today.

The internal politicization of the Workers Compensation Board causes me great concern. This is supposed to be an agency that is independent of government, and the minister has stated this to me over an over again, that he cannot get involved. Yet we see in this document here today, where there are political statements being made, inaccurate political statements. We will be asking questions dealing with that because if this agency is now going to become the political arm of the government, then we have some very serious concerns about that.

\* (1030)

I hope that the minister and his staff here today are prepared to answer the tough questions that we are going to pose to them on behalf of the injured workers of the province of Manitoba. I am sure that if the member for Lakeside (Mr. Enns) wants to have the opportunity to ask questions on behalf of the injured workers in his constituency, he is free to do so, as well. I hope he does take that opportunity to represent the injured workers, and that he does not just sit idly by and let these people flounder in the wilderness without some form of assistance. He has enough experience in this area, I am sure, to recognize that.

With that, Mr. Chairperson, I will conclude my opening remarks and look forward to my opportunity to ask questions of the minister and the agency.

**Mr. Chairperson:** Does the critic for the second opposition have an opening statement?

**Mr. Neil Gaudry (St. Boniface):** Yes, Mr. Chairperson, it gives me great pleasure to be sitting on this committee this morning. Our critic, the member for Inkster (Mr. Lamoureux), has another

committee, as everybody is these last few days that we will be in session.

I would like to express, also, concerns where we have a lot of claims from our constituents. I think the problem does not exist only in the last four, five years. It has existed long before this. It happened when I was first elected in '88. I think we inherited a mess from the NDP, because I look at a case, for example, that I had from Transcona that was—this man had been denied, had his last appeal, but we took it court and we won the case. His employer was involved in there, and we were concerned.

My greatest concern at that point was maybe they could not understand the lingo that was used in the reports and in the letters that were coming from the department. My greatest concern was when I phoned this guy and he told me he had received a letter from Workers Compensation. I said, well, read me the letter. His reply was, I cannot read. The guy was illiterate. I felt sorry for him, but we fought it, and we won.

That was not from the Conservative government. I know they are trying, and I am sure everybody—because I know we have—and I have made calls to the department, and I have had satisfaction, and I have had disappointments also.

I think at this stage, we have to work together. It does not matter from what party, but I think we have concerns for our injured workers in the province of Manitoba and our greatest concern is the injured workers. It is not to gain political points at this stage and talk loud about what is going on here in the province. I think we are very concerned about the injured workers.

I have not had a chance to go through the reports here, but whatever has been said about it, I will not comment on the report until I have gone through it. I am prepared to work with the government and prepared to work with the staff. If there is anything we can do as an opposition, I think we are prepared to sit down with the people and on behalf of the workers of Manitoba. It is not fighting in the House here and attacking the government or attacking the workers, it is to make recommendation to this board where we are pleased to work with them and on behalf of the injured workers. It is not the screaming out loud and saying things that are not effective in this legislation.

I think we want effectiveness for the injured workers of Manitoba, and our interest is our

constituents. Every one of us, it is not only one, I think the 57 of us should be worried about our workers and the employers also. We should look at the safety of the programs that are issued out there, and we should be involved and not only try and gain political points. That I do not go for. I am speaking positively here. I know there are deficiencies in the department, and we look forward to helping out so that we resolve many of the problems that are out there.

We will have questions. I have got hundreds of questions that I would like to ask here today, and I hope they will be answered. It is not to attack the government or attack the staff here. We are pleased to see the staff here of the department. I hope they will be able to answer our questions and help us out to resolve the problems that we have with our constituents. We have files here that there is concern with the employees, the workers of the province of Manitoba.

With this, Mr. Chairperson, I would like to complete my comments and look forward to asking questions and getting replies. We look forward to working with the department on a positive note. Thank you very much.

**Mr. Chairperson:** Mr. Gaudry, just prior to opening the floor to general questions, does the committee wish to consider both reports in their entirety? [Agreed]

**Mr. Reid:** Mr. Chairperson, can the minister or his staff provide us with a family tree of the agency itself? Who reports to whom?

**Mr. Graham F.J. Lane (Chief Executive Officer, Workers Compensation Board):** The member will find it on page 25 of the 1991 annual report. It is headed 1992 Organization Chart. It indicates that there is a board of directors which is tripartite in nature and involves representatives of workers, employers and public interest. It indicates the administrative staff that reports to the board, and the two committees of the board: the Policy Committee; and the independent Appeal Commission, which only came into existence with Bill 56, I may add.

**Mr. Reid:** I am not sure how the minister wants to work this, if he wants me to refer my questions directly to Mr. Lane.

**Mr. Praznik:** Either of us.

**Mr. Reid:** All right. Mr. Lane, because we have seen many statements that have been made, and the minister has made them here again today, about

the length of claim, can you give an indication on what the average length of claim is for the Workers Compensation Board? It is my understanding there are some 45,000 or 48,000 claims in the past year. What was the average length of those claims?

**Mr. Lane:** Mr. Chairperson, last year in 1991, there were approximately 45,000 claims of which approximately 20,000 were time loss claims. The average duration in which the person was on compensation benefits—this does not include rehabilitation benefits which can extend duration considerably—was approximately 35 days.

If you take into account the fact that a certain percentage of claimants require rehabilitative services of the board which have been significantly enhanced, the average claim, taking into account of rehab, on a settled basis, probably approaches in the mid-'50s.

**Mr. Reid:** With this family tree that is shown in the annual report—and the minister has explained that the chairperson of the board of directors is unable to be with us here today—can the minister or Mr. Lane indicate the arrangements that are made for any salary adjustments to any of the senior staff of this agency? Whose discretionary power is it to make salary or benefit changes to these individuals?

**Mr. Lane:** Mr. Chairperson, each year the tripartite board of directors sets a budget which the administration, which I am charged with delivering, operates within. I have the responsibility under Bill 59 to set working conditions, pay, hire, things of that particular nature, subject to the board's policy directions which are set out in the annual budget.

The budget, by the way, is a relatively new innovation of the board. The budgets were relatively informal and not cohesive prior to 1988.

**Mr. Reid:** Can Mr. Lane indicate who adjusts his salary?

**Mr. Lane:** The board of directors.

**Mr. Reid:** Can Mr. Lane indicate the number of employees that are employed in the Workers Compensation Board of Manitoba?

**Mr. Lane:** Approximately 370 on a permanent basis.

**Mr. Reid:** Are there any part-time staff?

**Mr. Lane:** Yes, there are.

**Mr. Reid:** Any indication of how many?

**Mr. Lane:** Mr. Chairperson, I think the best indication was with summer students hired currently, with part-time staff and term appointments, we may have approximately 400 at this moment. The equivalent full-time positions are approximately 370 which is in accordance with the budget.

\* (1040)

**Mr. Reid:** What percentage of those injured workers in the province of Manitoba—and Mr. Lane has indicated that the 35 days would, I think—my understanding was the average claim length is 35 to 50 days?

**Mr. Lane:** I said that the compensation section in which the person is just on, what is called total temporary disability, on a settled claim basis, averages approximately 35 days. Some of these particular cases move into the rehabilitation in which assessment is granted. There can be relocation; there could be training; there could be a host of other services. So by the time the claim is actually completed, including all the phases it works through, we estimate that the average duration is approximately in the mid-50s.

Approximately 50 percent of the claims are settled within a week and a certain proportion move on to what we would call, if you want, a long-term type of equivalent.

**Mr. Reid:** How many of those cases—because I refer back to a survey that was done, and it was advertised by the agency that said that there was an 85 percent satisfaction ratio with the Workers Compensation Board. How many of these claims, the TTD claims that we are talking about here or that 50 percent that is on for one week—do you have an actual number of this? Is it just a ballpark figure that you have here, or do you have some more substantiated figures?

**Mr. Lane:** Mr. Chairperson, I could provide the committee at a later date with more specific numbers. I am just giving you a ballpark figure that approximately we always work on the estimation that about 50 percent of the claims are relatively short-term in duration. They can average a claim of anywhere from one day on benefits to five, and then there is a percentage that are finished say within a month and two months and three months. There is a basic normal, if you want, statistical distribution.

A certain percentage go on to the long-term category which in our particular case, what we call, basically, any claim that lasts more than a year.

**Mr. Praznik:** If I may just add to the answer to Mr. Reid's question, and I think in fairness to all members of the Legislature, if Mr. Reid would look at page 19 with respect to the Appeal Commission, I believe last year 45,000 claims with all of the various decisions that can be made in the claims, you are talking about hundreds of thousands of actual appealable decisions in the course of a year.

Last year, the appeal panel dealt with 407 appeals in which 135 were accepted partially or fully, 261 were rejected, and further information requested on 11. There are about 30,000 people who receive benefits from WCB. The reason I raise that is if you look at the number of appeals which are reflective of decisions which people were not satisfied with, given the number of decisions that have to be made, it is a very small percentage.

In fairness to all of us as members of the Legislature, those are the cases that we get to our offices that come to us. That is not to say that there are not difficulties with those cases. I know the member for Transcona (Mr. Reid), the member for St. Boniface (Mr. Gaudry), members of my own caucus and myself, those cases often reveal to us, still, shortcomings in the process and areas where we need improvement. I think from the overall perspective, it is still a very small percentage, important nonetheless, but I just thought I would point that out to the member for Transcona.

**Mr. Reid:** It is my understanding that the Workers Compensation Board utilizes the services of independent agencies to assist them, I believe, if my understanding is correct, in coming to a decision. It is my understanding that the majority of these cases are long-term disability cases for the injured workers in this province. Can Mr. Lane or the minister give me the names of the companies that are involved operating on behalf of the board?

**Mr. Lane:** Mr. Chairperson, the board staff make the final decision on all claims. The only agencies that become involved assisting us in the process pertain to long-term claims. Unfortunately, over a period of time, there were a lot of people, some quite young, in their 30s and 40s who were not provided sufficient assistance in respect to vocational retraining and rehabilitation because of the vast backlogs that built up in the board and the relatively

low staff numbers that we had in the absence of policies in a lot of particular areas.

As a result of that, the board engaged William Mercer & Associates to assist us in reviewing some of these particular claims, long-term claims, for the purposes of determining if there was other assistance we could provide, or whether or not we provided adequate assistance to them.

In addition to that, we engaged, I believe it is three organizations, to assist in providing additional rehabilitation services to allow our own staff to stay current with the workload that was building on a day-to-day basis. The companies, I believe, are Manning & Associates, D.B. Hanson, and there was a group headed by the Society for Manitobans with Disabilities.

We have had some significant success in restoring people to work who had little opportunity or hope of that before. We treat each case individually, and we do not view our claimants as numbers. We view them as human beings.

**Mr. Reid:** Can Mr. Lane give me an indication on the specific expertise that these different businesses or agencies can bring forward to explain why we would contract out the cases to these individual companies?

**Mr. Lane:** Mr. Chairperson, we did not take the step of involving this particular assistance until it became clear that our own staff complement levels and the backlog that developed could not be cleared by our own staff. It was only reached that the view of looking through the program itself to those that we are set up to serve which are injured workers and their employers.

The expertise of the companies involved, which there was a very significant RFP and search that went on, are as follows: Mercer is an international firm of actuaries, providing consulting advice in respect to insurance products, long-term disability, group life, employees assistance programs and that particular note. Extreme experience, a lot of involvement with a lot of different insurance organizations and, I may add, workers compensation boards in other provinces.

Manning and Associates is headed by a gentleman called Michael Manning who at one time was the director of vocational rehabilitational services for the WCB of Manitoba. He left and had some time away from the board, and he has come back and set up his own agency. He is a

professional in the field and has the academic credentials to back it and has created a group of people who make a sincere effort to try and rehabilitate people properly.

D.B. Hanson has been in the field for years, they are experts in disability insurance. They provide services to other agencies, some of which, by the way, are worker groups.

The final organization I think is known to everyone, Society for Manitobans with Disabilities. They were an umbrella group, I cannot remember all of the organizations that were involved in them. The workload, if you wish, was divided, and I do not have the exact figures between them, and it continues at least in respect to most of the organizations.

**Mr. Reid:** Can Mr. Lane give me an indication—and when I asked about the expertise of these particular companies, I wanted to know the breakdown of their staff, because if they are dealing with medical situations, medical cases here, it is very apparent that you would think that, or at least it is logical to me that there should be some kind of medical staff on these companies. Can Mr. Lane indicate—by individual companies here—whether or not these companies have medical staff working directly with them as employees of their companies?

\*(1050)

**Mr. Lane:** Mr. Chairperson, they are not providing medical assistance. We use the medical community of Manitoba; the work is assigned to these companies to provide vocational rehabilitation services. If, in dealing with people on an individual basis, they determine in their particular opinion that they require other services, then there is a range from that perspective.

**Mr. Reid:** Well, I find it strange, Mr. Chairperson, that Mr. Lane indicates that they do not have particular medical staff with them, and yet I have cases here where these agencies are rendering opinions or recommendations based on medical information. I find it difficult that they would be contracted to do this work on behalf of the agency, do not have that medical staff available to them, and yet are giving those decisions. Is there an explanation why?

**Mr. Lane:** Mr. Chairperson, the entire workers compensation system, which started in 1916, was founded on the inquiry model. It does not provide physicians with the ultimate decision in respect to

whether a case is compensable, or whether or not it should continue. The medical advice that is provided is in assistance. Our own adjudicators make adjudicator decisions on the basis of medical evidence provided. We make every effort, and spend approximately \$20 million a year in obtaining medical assistance to help the claimants who have been injured at work and to provide us guidance all the way through to the medical review panels and the appeal panels and how we approach them.

**Mr. Reid:** Can Mr. Lane give an indication on what the criteria are that are used to determine which of our long-term disability cases are sent to each of these specific companies?

**Mr. Lane:** Mr. Chairperson, it is decided by our own staff in the rehabilitation area.

**Mr. Reid:** What is the criteria, Mr. Lane?

**Mr. Lane:** The criteria basically as I understand it—and I could provide more details later because I do not have it at the tip of my tongue—relates basically to the types of services that it seems that would be indicated, the workload of the consultants engaged in the effort.

Remember these consultants are handling a very small portion of our workload. At any point in time, we have 10,000 claimants in pay. The percentage of those claimants assigned to these outside service outfits, which are totally under our control, supervision and we make the final decisions, is quite low at any given point in time. I am just trying to run the calculation in my head. It is relatively a low percentage.

**Mr. Reid:** Can Mr. Lane give me a breakdown on how many cases have been sent to each of these individual companies on a yearly basis? Do you have that information?

**Mr. Lane:** I do not have the information with me. We have approximately reviewed, I believe, some 900 cases over a period of time. A lot of additional assistance has been provided, and some people have returned to work that otherwise would not. We do not send people back to work that are still disabled or unable to function.

The purpose of the service is to assist people. These firms were engaged for the purposes of their attitude towards our workers. These are people that are under our charge or our responsibilities. We take it very seriously. The firms that we engage take the same approach that we do and are under our control.

**Mr. Reid:** Well, I am interested in knowing of the 900 cases that have been sent to these individual companies what the breakdown is. Because if you take a look at these companies—and I have done some investigation into these companies, I am not unaware that they existed—some of them have, as I said, given recommendations based on medical information. Yet, by your own words, Mr. Lane, you indicated that Mercer is an actuarial firm. I mean, they are listed in the phone book. You do not have to be a scientist to figure that one out.

I want to know the breakdown on these companies. I want to know how many cases Mercer is dealing with, how many Manning is dealing with, how many Hanson is dealing with, and how many the SMD is dealing with.

**Mr. Lane:** Mr. Chairperson, first, they are dealing with medical information that we have obtained as a result of our service to the claimants. They are acting no differently than providing advice in the respect that our own staff do, and our own staff make the final decision.

As to the breakdown between the firms, I can provide it. I do not have it with me. There is a distribution between the various groups. We supervise them very, very carefully. We supervise the attitude of their staff towards the claimants under our care. We listen to any complaints that we do receive, which have been relatively rare, and we react when necessary.

**Mr. Reid:** Can Mr. Lane give an indication on the fee that is paid to these particular companies? How much do they charge for that service that they provide to the agency?

**Mr. Lane:** I cannot provide it; I do not have it with me. All I can say was that the estimate of the cost of the program was included in the budget which was approved by the tripartite board. I do not have the actual breakdown on the per case or per hourly rate, but we can determine it.

**Mr. Reid:** Then maybe Mr. Lane could provide the global figure for all of these companies. I would like to ask, as well, that the agency provide a breakdown by these individual cases.

**Mr. Lane:** Mr. Chairperson, we will undertake to provide the breakdown the member wishes, and at the same point in time we can provide the basic dollars that are involved. I can say that in the average month, at the present time, we spend approximately \$2 million each month providing

rehabilitation expenditures, of which some 80 percent is direct payments to the recipients, the claimants. The external services expenditures to the end of May, which are not all directly related to these particular firms, is approximately \$600,000. The rest of the expenditures in respect to rehab expenditures, which is approximately 160 percent of that figure, is delivered through our own staff at the board.

**Mr. Reid:** Can Mr. Lane give an indication—since we do not have the breakdown on who gets what files, and we do not have a breakdown on the criteria that are used for the selection of these files to be sent out, are all claimants whose files that are sent out to these specific companies—is prior approval obtained from the claimants prior to these files being sent out?

**Mr. Lane:** These service providers are our agents. They work bound by confidentiality. We have had no evidence of any breaches of that. In respect to dealing with the people providing the rehabilitation systems, we seek the co-operation of the claimants in this particular endeavour and in the vast, vast majority of cases we have been rewarded with their co-operation.

These people who are injured and are off work for an extended period of time do not enjoy their condition. They were seriously aggrieved by the fact that, unfortunately, the board was unable to deliver services to them. The services provided by these service providers are an assist to what we could normally do ourselves and they allow the opportunity for our board staff to become more current with the claims arriving each day.

Every day we have approximately 220 claims come in the door—220 people who have been injured at work—of which approximately 50 percent are time loss. This is a very significant volume for a very skilled component of our staff which are difficult to obtain, hard to train, and et cetera—to handle. We had two choices, the board had. Number one was to allow the backlog to continue, which was growing rapidly to the point at which time we interceded; or two, to make an effort to try and assist these people and try to reach a reasonable opportunity for them to return to work which, by and large, they seek and have always wanted.

There is no one else for them to go to in respect to the WCB. We are the only ones who provide this insurance. This is insurance provided by a public

agency. The workers cannot go out and be insured by the insurance company of their choice. The employers have only the choice of working within the act. So therefore the board has a distinct responsibility to these injured people. If we cannot find a way to address the backlogs ourselves, we have to find another way.

I may add that through the assistance of these firms, working in an extremely professional fashion on these particular accounts, we have also learned things that help us in dealing with the caseload that is working through the system.

\* (1100)

**Mr. Reid:** I do not doubt that the individual claimants co-operate with the board. They have no choice; they have to. By the comments that have been made to many of them that have been related to me, there is great fear that is prevalent amongst claimants who felt that they had been unjustly treated by the Workers Compensation Board.

So when we are talking about long-term disability cases, they have no other course but to co-operate here. When I ask about these files being sent out, it is because some of them are quite concerned about some of the decisions that might come back, some of the recommendations. I have some of them here. I mean, I am a layperson, and I have to question some of the stuff that comes back. [interjection] I am not finished yet.

How many case files have been sent out to these individual consulting companies without the approval of the claimants prior to these files being sent out?

**Mr. Lane:** There were a number of questions. With the Chairperson's permission, I will work my way through them.

People injured at work in a relatively tough economy are concerned about a lot of things. One of them, obviously, is the support that they receive, financial basis and rehabilitation from the board. We are very familiar with it, and that is why our approach, basically, is to work with these people to reach an agreement as to a plan as to how they can be restored as quickly and reasonably as possible.

We are very familiar with the fear that happens with people off work for a long period of time: the fear that they will be unable to look after their family; the fear that they will not be able to co-operate; the fear that they will not have the camaraderie that goes on in the workplaces of Manitoba. We are

well-familiar with it. In respect to the concerns of the claimants that they believe that the board's conduct has not been appropriate, there is a very elaborate—and necessary, for a public program—appeal process that is in place.

In addition to that, the board's funds raised by the employers pay 100 percent cost of the independent worker advisory program, run out of the Department of Labour to assist workers in dealing with the board if they believe the board cannot deal with it directly. We also have a Fair Practices Advocate and we are subject to the whole sort of other types of ways in which to bring to our attention particular concerns.

As to the cases, I mentioned before that in my estimation it was somewhat in the excess of 900 that had worked its way through this process. I would like, if possible, the members to appreciate that every year we deal with approximately 85,000 cases; 50,000 are new files. These 900 cases are the accumulated effects of many years of not dealing with backlogs. These cases do not come out of 1991. They can come out of the early 1980s, the mid-1980s, cases that were not dealt with.

In respect to the cases that are eventually assigned to Manning, and Hanson, and the other agency, my understanding is that the worker approval is obtained in respect to being signed to those particular cases. If the member is aware, because we seek their co-operation, of any exception in that particular case, I think it is in the best interest that we be advised of it and we would check into it. We need their co-operation.

It is very difficult to unilaterally direct a rehabilitation plan. You need the co-operation of the worker and so we seek it, and in the vast majority of the cases, we obtain it.

**Mr. Reid:** I may have missed it, but out of all of that I did not hear any kind of a figure.

**Mr. Lane:** Mr. Chairperson, I said that my understanding was, and we will provide it later, that we had reviewed more than 900, approximately 1,000 cases, up to a certain date, which were out of a cumulative load that builds up over many, many years, of 50,000 new claims a year, and that my understanding is that the cases that are referred to Manning and the other agencies, we obtain the approval of the claimant.

**Mr. Reid:** It is my understanding that there are cases that have gone out without the prior approval,

and that is the question I had. How many have gone out without prior approval being sought or obtained?

**Mr. Lane:** Mr. Chairperson, in respect to Mercer's advice to us—they are our direct agents. They are the actuaries for the board. They have been the actuaries as far as I know for decades. They provide us with general advice as to whether or not these particular candidates are potential candidates for the assistance that we can provide either internally through our own resources—many of the cases that we have Mercer have a look at for us remain with the board and are not assigned at all outside the board. Some go outside.

For Mercer to review it as our direct agent, we do not seek approval. They are not dealing directly with the claimants. It is only when we finally assign them by our action to one of the service providers, and then we need their co-operation. So again, if the member has any indication that the worker is not aware that they have been assigned to Manning or Hanson, we would be happy to receive it.

**Mr. Reid:** Has a legal opinion ever been obtained or presented to the minister that would allow these files, with or without approval, to go to outside agencies?

**Mr. Lane:** Mr. Chairperson, yes. The board has a number of agents. We have external auditors appointed through the Department of Finance. We have board actuaries. They are all bound by confidentiality.

**Mr. Reid:** Would Mr. Lane or the minister be prepared to provide us with a copy of the legal opinion?

**Mr. Lane:** I would have to take that under advisement. There is a board policy on distribution.

**Mr. Reid:** If it is a legal opinion, I would think that it would be available to members of the Legislative Assembly. Can I ask when we would be provided with a decision on that?

**Mr. Lane:** Mr. Chairperson, we will have to clear it, but I can say generally we have no objection.

It is important for the injured workers themselves if the board has the facility to look past its own resources to the resources that can provide the assistance that is required. It is a common feature of agencies that they look at the means that are available to them to provide the service that is demanded of them. It is logical, common sense.

**Mr. Reid:** Are there any other firms anticipated to be hired on as consultants by the board, any other considerations being given?

**Mr. Lane:** Mr. Chairman, I assume the member is referring to the rehabilitation process—

**Mr. Reid:** Private contract firms

**Mr. Lane:** Mr. Chairperson, do you mean beyond the specific area of rehabilitation?

**Mr. Reid:** I am referring specifically to the Mercers, the Mannings, the Hansons, the SMDs. Are there any other agencies or companies that are being considered to become private consultants for the board?

**Mr. Lane:** Mr. Chairperson, I am not aware of any but I would assume that if qualified agencies arose they would be considered. There was a fairly extensive RFP process that went on in selecting the firms that we did select.

**Mr. Reid:** Am I correct in saying that the Workers Compensation Board promotes employment for injured workers?

**Mr. Lane:** Mr. Chairperson, yes, we have an elaborate program of employment services, hopefully to return people to work. They range from general job training, specific training, down to what we call the "hand-held program," in which we assign a caseworker to an individual worker. We make arrangements with employers to assist them in taking people and return them to work when we believe they are medically suited for it. We can provide compensation for training periods; we can modify the work environment so that people can operate. The board has fairly broad discretionary powers which are both good from the worker's perspective and good from the angle of, if you want, financial prudence.

**Mr. Reid:** Can Mr. Lane indicate then how many injured workers are employed by the board, or have been hired by the board?

\* (1110)

**Mr. Lane:** Mr. Chairperson, we have quite a few. The general view of them is that we do not single them out. If the member wishes, we could report separately on it. They are workers just like everyone else.

**Mr. Reid:** Out of the 370 permanent employees or the 400 summer employees that you have, can you give me an approximation?

**Mr. Praznik:** Yes, I would just indicate to the member for Transcona, as he may or may not be aware, that, whether a person suffers from a disability, it is their business, unless they so wish to declare. The board, as does the government of Manitoba, operates under that—as the member knows—same rule with respect to human rights. I will let Mr. Lane answer the question but I just wanted to point that out for the member. In the case of the Civil Service, there has to be a self-declaration. As the member knows, there are a number of people, whether they be visible minorities or people with disabilities, in the Civil Service who do not make that declaration and so do not appear in the statistics. I am sure the same is true at the board.

**Mr. Lane:** I was just going to add—I was given a specific example. Last summer we recruited our summer staff, if you like, out of our rehabilitation list. We are well aware of the field that we are in and the fact—to some degree in our requirements or requests of employers to participate in our efforts to re-employ injured workers—that we can be held out as a role model. We are very aware of it.

**Mr. Reid:** I thought that it would be important to know that—and do not get me wrong. I am not saying for a moment that there are not compassionate, competent people working within the Workers Compensation Board agency, but I would think that, from a human point of view, it might be appropriate or logical to have, in the employ of the agency, people who have been through the process, have been through the mill, who can understand the feelings and the concerns of the injured workers in the province.

I, myself, having never been injured, fortunately, in a workplace accident, might not have the same understanding of what it is that people have to live through. Yet if the board, who is supposed to be dealing with injured workers and promoting employment for injured workers, does not have sufficient numbers of injured workers in there, I do not think that there would be that understanding on behalf—that total comprehension of what these injured workers have to live through.

**Mr. Lane:** Mr. Chairperson, we do have formerly injured people at work. The board's staff is not much different than the rest of society. We also have our lives and our contacts with the outside world, and people in our own context, who are basically injured.

I think that the staff of the board have great empathy towards the people that they serve and we make every effort to help them appreciate the stress conditions in which people come to us. We deal with people who can have very significant injuries who can be with us for a very lengthy period of time. Fortunately, in a lot of the cases—I said about 50 percent of them, roughly, in a week—the condition is stabilized and they return to work.

We have a requirement, of course, to be able to service injured workers and employers. So when we seek to hire staff, train them and bring them through the ranks, our primary requirement is to place ourselves in a position to be able to provide the service that the workers require of us. Again, we are a monopolistic agency. The workers and the employers have no one else to go to but us, so we have to put ourselves in a position to have skilled rehabilitation counsellors, employment services people, inquiry people, adjudicators at the various levels.

The long and short of it is we do have injured people on staff. We do make an effort and we take it quite seriously.

**Mr. Reid:** Can Mr. Lane or the minister give any indication when we could expect to receive a breakdown on the—from what they know to be the number of injured workers who have returned to active employment who are employed by the Compensation Board?

**Mr. Lane:** Mr. Chairperson, I must honestly say I have some reluctance in defining our work force by whether or not they had a disabling work accident or not. I seek the guidance of the committee. We can—

**Mr. Reid:** I am not for a moment suggesting that the agency, the Workers Compensation Board, would release the names of the individual employees. All I am trying to do is get an understanding for the number of employees, just a number, who are employed by the board, to give me—I am not looking for a ratio here. What I am looking for is to find out how many people are employed.

It is important that an agency that is supposed to be looking after the needs of the injured workers in the province of Manitoba also has in its employ a significant number of injured workers representing these people and dealing with the programs that are available.

**Mr. Lane:** Mr. Chairperson, other than the ones that we select or make an effort to employ right out of our own rehab roles, we have no legitimate way of determining whether our workers have been injured at work or not under the Human Rights code. We cannot discriminate. We cannot ask questions to determine what their past practice was.

In fact, in our practices in respect to re-employing people, the board itself has set up funds by which the costs, of workers who have been injured as a result of conditions not pertaining to that specific employer, can be borne by all of society's employers rather than them themselves. Even in those particular efforts we try and find ways to bridge the gap between the prior state and the current state.

**Mr. Reid:** It is my understanding, and Mr. Lane or the minister can correct me if I am wrong, that the board is looking at establishing an industrial disease panel. Can you give me some indication on the status of that panel because it is important to deal with the cases that are coming forward?

**Mr. Lane:** Mr. Chairperson, there is no current work on establishing an industrial disease panel. The difficulties with an industrial disease panel is that they result in the considerations of only certain diseases that happen to be on the schedule or not. There is no provision for setting up an industrial disease panel that I am aware of.

**Mr. Reid:** In other words, when we are dealing with industry related occupational diseases, you are only going to follow it by an established schedule that is in place. Obviously, this has come from somewhere and—[interjection]

**Mr. Lane:** There is no schedule. Occupational disease that meets the test under the act are adjudicated. We have set up a special claims unit because they tend to be quite complex. There is no restriction or list. I know they are common to some jurisdictions. The difficulty, and some of the experience has been in these particular cases, the field changes so quickly—the medical evidence, the awareness of conditions. It is constantly changing.

**Mr. Reid:** So by what Mr. Lane is saying then, there is no ongoing study of occupational diseases?

**Mr. Lane:** Mr. Chairperson, we even engaged an occupational disease specialist in helping us work out our policy and approach to it.

**Mr. Praznik:** If I may just clarify for the member, I think he is suggesting that because there is not a list of occupational diseases which are covered that it

is a static process, or one in which the board is not interested.

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

Under The Workers Compensation Act, the definition is established and any disease that fits into that definition—often the circumstances surrounding how a person gets a disease will determine whether it is occupational or not. There are a host of factors that have to be considered, which the Legislative Assembly put into The Workers Compensation Act. Those are the parameters under which those are adjudicated.

As Mr. Lane has indicated, the board has a special unit because of the complexity of industrial disease, and on the Workplace Safety and Health side, which is not within the jurisdiction of Workers Compensation Board, a fair bit of effort goes on on a regular basis in identifying diseases and hazards in the workplace.

I know, since 1988 this government filled the chief occupational medical officer position with Dr. Ted Redekop. We have a number of occupational hygienists, et cetera, so there is a fair bit of work that goes on in that area.

\* (1120)

**Mr. Lane:** Mr. Acting Chairperson, if I may just add one thing. The member may not be aware that the board recently supported the effort of the occupational disease unit at the University of Manitoba with their Green Plan proposal to the feds to provide additional resources there that the university chose not to proceed with, but there are ongoing discussions in that particular respect.

The board of directors recently approved the policy for occupational disease, our approach to it. The lack of a panel or a schedule is not indicative in anyway of a lack of interest of the board in emerging diseases or their relationship to work.

**Mr. Reid:** That is unfortunate. I thought that with the new dominance requirement consideration—and I have two cases that I am dealing with personally, where we are looking for a dominant cause and it is industrial related diseases brought about by the workplace, dealing with chemicals in the workplace. One individual had both of his lungs destroyed.

I bring individual cases forward to demonstrate what is taking place, and I know I have been chastised or criticized for this before, but this is how

I can put forward my point. The individual has had his lungs destroyed through a workplace environment, and yet, the board is now trying to determine how much his smoking contributed toward it. They have already accepted responsibility for the workplace impact on the individual. I have brought this matter to the minister's attention, and I have communicated with the board as well. So when I ask about, and we are looking for dominant cause here, I use this as an example. If you do not have any study ongoing to determine, what are you using for the criteria?

**Mr. Praznik:** I have a couple of comments. First of all, when the dominant-cause test was put in place, just by way of background, Bill 59, there was a trade-off made and under the old system there still would have had to have been a rating of percentage of contribution from various factors. In fact that rating of contribution resulted in a rating or prorating of benefits. If the occupational ailment was 60 percent or 50 percent then it was very difficult to do, but in the legislative scheme, the trade-off, of course, was the dominant cause and 100 percent was paid. Obviously a medical determination has to take place, and they are difficult in adjudication.

I want to say with respect to Mr. Reid, I do not chastise him, I believe, for bringing forward individual cases because those are—

**An Honourable Member:** You sure did not demonstrate it in Question Period.

**Mr. Praznik:** Well, sometimes the information that is brought forward, we may debate. I say this to him, that one of the observations I have made on cases that have come through my office, not in all cases, but often it is the medical evidence that comes from physicians to adjudicators I have seen time and time again, is incomplete, does not always answer the questions and makes it very difficult to adjudicate. I raise that as an observation.

Many cases that have come forward through my office in particular, often it was incomplete medical information or opinion not clearly expressed, not dealing with all the issues, that did not give the adjudicator sufficient information.

Then there was a problem on the part of the adjudicator in some of those cases. I am not referring specifically to the one you raise, but often where the adjudicator made their decision based on the fact—did not have sufficient information to

make a positive adjudication, and never indicated that in the decision.

So here was the claimant denied, not knowing why, and when one got into the file on behalf of the claimant, the Worker Advisor office, whoever, discovered that it was because of lack of medical information. It is regrettable that has to happen. I have asked the board to take steps to make sure adjudicators' decisions are clear, stating reasons why, so that people can know if it is lack of medical information, then they can go back and get the proper medical information.

All claims do have to be adjudicated, and they are not always easy to do, particularly when there is conflicting medical information, conflicting opinions, and it makes the job very, very difficult for adjudicators. I am not commenting on a specific case, but that is an area that I know I have identified and discussed with the administration where it poses a great deal of difficulty. I do not know how we get around it, but we have to work at it.

**Mr. Lane:** I have just a brief comment, if I may, Mr. Acting Chairperson. We cannot comment on individual cases. When we come into the area of disease, it is extremely difficult to adjudicate these claims. This is not all-cause insurance. This plan only relates if we can attribute it to work.

We cannot argue that if a person is disabled at the curling rink or disabled at work, that the consequences to them can be grievous in either situation, but this program is limited only to work-related situations because the premiums all come basically from one source.

We took a lot of advice in respect to occupational disease because of the confounding multifactoral causes of disease. The result is the approach taken in this plan which is not all-cause insurance.

**Mr. Reid:** We talked about a schedule a few moments ago in determining the PPD ratings, and what could be expected to be normal recovery periods. Can you give me an indication on the schedule that you use? What is the expert document that you use, the expert opinion?

**Mr. Lane:** Mr. Acting Chairperson, is the member now referring to permanent partial disabilities?

**Mr. Reid:** Recovery schedules.

**Mr. Lane:** We treat each case uniquely. There is medical evidence as to the expected range of possible recovery of particular conditions. They are

used and utilized solely as guides. Each case, in the end, is adjudicated on an individual basis and subject to the normal appeal process. Not to have any form of evidence to indicate the normal range of recovery can be damaging for the worker, let alone the compensation situation.

We are aware of cases in which, for example, physiotherapy or chiropractic treatments can go on for a lengthy period of time which the medical literature indicates should be well healed long before that. It can be indicative that some other form of intervention is required.

Our range of recovery norms are relatively commonly used by insurers. There are guidelines. They are useful, not only from the aspect of determining the reasonableness of an ongoing claim, but also from the aspect of supervising the medical care which the act requires the board to do.

**Mr. Reid:** Well, it is my understanding, looking at some of the correspondence that the board has sent to claimants, that they refer to a specific schedule from time to time, not by name, but a schedule.

I have a case here with me today that I will get to in a few moments and the individual has been told that she has exceeded the normal recovery period, so I am trying to figure out, who determines the normal recovery period? Is there a schedule that is involved in this to state what is normal and what is not normal? Are there extenuating circumstances or allowances that are made, because in this case, which I will relate to you in a few moments, I will show there appears to be some concern in how the individual was treated.

(Mr. Chairperson in the Chair)

**Mr. Lane:** Mr. Chairperson, again there are a variety of guides that are available in respect to a range of recovery norms. Again, each case is unique. There can be circumstances in why a particular condition does not heal.

On occasion when our own doctors are providing services to people when they come in, they determine medical conditions that have not been determined to date. For example, there is, in respect to a range of recovery duration guidelines they exist in various forms. I am advised there is a Quebec task force providing such things. There is a Minnesota study. There is a medical disability advisor which is American and there is a California study of the same nature.

Another form of testing the question, has the condition had sufficient time and sufficient treatment to have been resolved? In the absence of having a guideline, it is extremely difficult to know as to whether or not the medical treatment has been appropriate, or whether there is any other factor that could be contributing to the lengthy duration. The adjudicator makes the decision themselves on the basis of the evidence and the evidence they seek out in the inquiry model can be quite extensive.

\*(1130)

**Mr. Reid:** Yes, it is my understanding there are several documents that you use for making determinations. I have one here today. It is the medical disability advisor. Is that one of the documents that you use?

**Mr. Lane:** Yes.

**Mr. Reid:** Well, I must express to you that looking at some of the information that is in this particular advisor book here causes me great concern, because if you look at the expected length of disability in cases of heart attack, or any other cause and you go through here, you would think, as a layperson I would think that a large majority of these are unreasonable. I do not see how an individual can be expected, and I am no expert on this, so do not misunderstand me here, how a person who has had a heart attack and it shows here, can report back to work within two weeks.

**Mr. Lane:** Mr. Chairperson, many of the complex situations that you are looking at in that particular guideline you will note it says "on report", which means that the condition can vary widely case by case. I am not a physician. I have been told by physicians that the board engages, who, by the way, by the lion's share of which also carry on active practices on the outside, that those particular guidelines are exactly that, guidelines.

**Mr. Reid:** Mr. Lane has indicated that decisions are made by report, and the question I have, is by report from whom.

**Mr. Praznik:** Yes, Mr. Chairperson, I am just understanding the question from the member for Transcona. I think what Mr. Lane was referring to in the "on report" is from the report of a qualified physician. Just from hearing what you read from the book, I would assume that the report is from a medical practitioner who has reviewed the client.

**Mr. Lane:** Mr. Chairperson, that is correct. It basically means that range of recovery norm

averages are very difficult to apply in certain specific complex cases, and that you have to deal with it even under a range of recovery norms on a unique and individual basis.

We are basically laypersons in the administration and the adjudicators and the rehab counsellors and the rest. This is why the board contracts out specialists and physicians, so we can obtain the advice. Oftentimes, a layperson reading medical advice on that may not fully understand why the physicians providing that particular service have come to that conclusion, but I can assure the member each case is treated unique and there can be variations. There are guides, and the guides can be useful not only for how long the compensation is paid, but as an explanation of why is this condition persisting.

**Mr. Reid:** If these are only guides then, and you indicate that it is a medical doctor who is making the evaluation on this by report, is this a compensation board employed doctor, or are these private independent medical specialists?

**Mr. Lane:** Mr. Chairperson, the vast majority of the claimants we deal with are treated by their own physicians. Our physicians only see a relatively small percentage of the claimants. The reason they see them is for one of two basic reasons: One is there is an application made for a permanent-partial disability award; and the other possibility is the adjudicator has requested—under the provision of the act that requires us to supervise medical treatment—our medical unit to have a look at that particular file or that particular patient.

Some of those examinations can result in the determination of conditions that have not even been picked up by their treating physician. There can be an advantage to claimants to having a second opinion by our medical unit.

**Mr. Reid:** It has been my experience, and the experience of many, that the decisions of the independent medical specialists are having their recommendations and their opinions disregarded or overruled by the board.

Now the minister may want to answer this question because it moves into a more sensitive nature in looking at some of the documentation or correspondence that has gone on between the board and other agencies in the past.

I know I have asked this question of the minister before, but it has been my experience—and I have

talked to these doctors and doctors are very reluctant, because they fear the board—they are reluctant to come out and to be public with their opinions about how their patients are being treated. What they are telling me is that they put in recommendations. I have one report that your board paid \$900 for, and that recommendation was disregarded by the board's doctors. Now if you are going to pay that kind of money for a report to a specialist who is renowned here in the city, and there are many of them in this city and this province, why are you paying that kind of money for those opinions?

**Mr. Praznik:** Mr. Chairperson, I would like to address this issue somewhat because Mr. Reid and I have had the opportunity over the last year or so to discuss this on occasion. First of all, just to put it in terms of perspective, only about 2 percent of all cases go before the board medical unit. I would point out to the member that most of the doctors who were at the board prior to this year had been there for a number of years, had been hired during the course of previous administration.

Because of some queries that were made by himself and other members, some of my colleagues, I asked the board—and I would just like to clarify again in terms of terminology, the decisions are not made by the board, but by the adjudicators of the board. I think it is important there be that independence.

I asked the board, the chair of the board and board administration to do a review of our board medical unit. A number of things were discovered at that time, lack of policy procedure manuals, a host of things. A major review was done of the board medical branch. I know that they have hired a number of new physicians who have come on stream just as early as this month. There has been a major revamping of that unit. I think over the next year, I hope to see improvements in service, generally, because of that revamping.

I can appreciate some of the concerns the member has raised. We have discussed them before. Some of them I share, but I should tell him, as well, in my observation of some of the cases that come through my office, and again, both him and I deal with a lot of these anecdotal cases, and they can be revealing from time to time, but two come to mind in the last three or four months.

In both cases, the initial adjudication was against the claimant who approached our office. We put them in touch with the Worker Advisor office. In both cases, they boiled down to medical practitioners not providing information. In one case, the doctor referred to the wrong part of the body where the injury had been. Consequently, the adjudicator said it did not—rightly so from the adjudicator's point of view—it was not consistent with the accident report and it involved the doctor actually having to write in and say that the doctor had made a mistake and the decision was overturned.

In another particular case involving a firefighter from my constituency, in fact, who was sent home for two days because of smoke inhalation, the doctor in sending in the report indicated that he had done an X-ray of the lung, and there was no evidence of anything on it, but sent him home for two days, never put that into the adjudicator's report. Again, the adjudicator's decision did not state that. That is why we have to make improvements in how adjudicators write their decisions. Once the doctor provided the material that he had in fact sent the person home for two days, the adjudicator reversed his decision.

Often, there is difficulty in information. I even had one particular case that was brought to my attention where the family physician told the claimant one thing, and when we had access to the files, the Worker Advisor office, what the doctor had written in to the board was very different than what he had told the claimant.

These problems, as the member knows, from time to time arise. I am not sure how we deal with them, but they are there. They lead to some very regrettable situations that take a lot of time and effort on behalf of a lot of people to correct.

**Mr. Reid:** I do not think that the problem has gone away and I know the minister and I have discussed this in our private discussions relating to the medical staff employed by the board. These concerns have been raised many, many times, and it is the same names that keep coming up, over and over and over. It is the methods that they use and the lack of concern or caring that they display in dealing with the claimants that come before them.

\* (1140)

That causes me concern because these people who are there are supposed to be operating in a fair

and impartial manner. When they make decisions that lead one to conclude that they are doing it in the sole interests of the board and not taking the patient into consideration, I have to conclude from that, then, that they are not fulfilling their role or their mandate dealing with these claimants that come before them for evaluation.

**Mr. Praznik:** Yes, obviously, it would not be appropriate for the member or I to get into specific names. I am aware of the concern that he raises. I want to assure him that is an area that the board has addressed with a great deal of time and effort.

Certainly, one of the things we found in the board medical unit was just the lack of policies, procedures, operating guidelines. We have also, as I have indicated, recruited a number of new physicians. I understand we now have three orthopedic surgeons, part-time or full-time, who are employed in that unit whereas before we only had one. So we have been adding to that unit.

I would just point out to him as well, that the board doctors do not make those decisions. They make recommendations. There have been cases where adjudicators have not accepted that particular information.

I appreciate his concern and the board has made very significant steps over the last six or seven months to upgrade, expand and improve that particular medical service, largely, because I think of concerns that were raised by himself and other members to me and which I conveyed to the board.

**Mr. Lane:** Mr. Chairperson, the reason why the physicians operate on the purposes of treating the patients, they have a fair degree of empathy toward these people by and large, the people that we engage in our unit have practices outside the board.

It is a way of our ensuring that they have ongoing experiences outside of the WCB. We have recruited heavily. We have a lot of new doctors. We have a lot of new specialists. We believe that the rewards of this are becoming quite evident.

For example, for the first time in the living memory of the board, if it ever did exist, last week we reached a stage where the medical advice being provided to the adjudicators was on a completely current basis. I am not aware of it ever happening before.

We operate an inquiry model. The member raised the question about a fee we might pay for a particular report. I am not aware of the circumstances. We are not out to disprove claims.

We are out to basically establish the truth of their validity. The medical reports are important. It is the duty of the adjudicator to weigh all the evidence that is available. It is not a stacking of the evidence. It is a weighing and a judgment that they have to make on a serious basis.

I can tell you in respect to the operations of health care units that there have been experiences in other provinces in which there is one province in Canada, in Quebec, in which the board there, the CSST, has no ability under the legislation, to supervise or control medical treatment plans.

In 1991, with no change in severity or reducing in the severity of claims, and a significant reduction in the number of accidents, their average duration basically soared. There is a clear reason in a program that is meant to benefit two parties, two general parties, workers, and their employers, that the board has a clear responsibility to be in a position to evaluate the evidence, and that is a system that we are trying our best basically to provide.

**Mr. Gaudry:** Mr. Chairperson, in 1991, there was a 13.11 percent decrease in the number of accidents reported, yet the number of appeals at both the Review Office level and the appeal panel level increased—in '91, 1,358 and in 1990, 1,083 for the office level; in the panel level, 407 in 1991, 252 in 1990. Why is this the case?

**Mr. Lane:** Mr. Chairperson, there are a number of reasons. Just generally across the country, we are one of 12 WCB jurisdictions, excluding the feds. All of the boards have been reporting increases in appeals.

In respect to our hypothesis as to why they are basically increasing, the economy has suffered somewhat. There is a high level of unemployment. There is some difficulty with people re-establishing themselves at work, even when they are medically recovered. The benefits of the WCB significantly exceed that provided by unemployment insurance, for example, Canada Pension Plan and generally exceed that provided by employer LTD plans.

Another reason is that the appeals come out of the accumulative workload. We have substantially reduced the backlog. If you look at 1988, unserved claims were at 3,600, and now they are running at say 1,300. There are 2,300 cases in which decisions have basically been moved forward

and made, out of which a certain number of cases are basically going to appeal.

I would say, in short, there is a whole variety of reasons, partially the recession and the effect on people, partially there is the increasing general tendency to appeal, partially it is the fact of the reduction in the accumulative workload and partially we believe basically it is the new process established by Bill 56, with the independent Appeal Commission, which people are becoming fully aware of their rights and the independence from the board administration.

We are aware, in B.C., for example, which has a population of approximately three times ours, that they are running 300 appeals a month, and we are running something in the order of around 30.

**Mr. Gaudry:** What is the Workers Compensation Board doing to improve the speed of adjudication at the appeal level?

**Mr. Lane:** Mr. Chairperson, right now, with the access to information requirements in the bill to protect the confidentiality of records and determine the relevancy of it, we believe the fastest process that is basically available to us is somewhere in the order of 10 weeks. Right now we are running pretty close to that, at 12. I could hold to you examples in the other parts of Canada where delays go into basically the years or the months that the board compares very, very well.

In 1988, there were cases in which people waited for appeal judgments that may have been heard and not rendered of up to one year. These are not the circumstances right now. Before you might have had to wait for 37 weeks for a medical review panel which is down to 12. All these factors have tended to do it.

The government has had the wisdom to dramatically increase the number of appeal commissioners available to process the material, and they work independent from us. There are two chairs now rather than one. There are a lot of reasons by which this speeded up process is working quite effectively. We are proud of the fact that it is only taking 12 weeks. I think if the member had the opportunity, which we have, a week hole, compared to other jurisdictions, including some other programs, that our current record is not bad, particularly if we are going to protect the process—

\* (1150)

**Mr. Praznik:** If I may just add to that answer, I had the opportunity to discuss the length of appeals with the Chief Appeal Commissioner, Mr. George Davis, who administers the Appeal Commission, and his comment to me was that given the complexity of most appeals, probably the shortest period in time to allow people to properly prepare for one, because often they will file their notice of appeal right after a decision of the Review Office, made in the Review Office, but probably would be the absolute minimum, he thought, was about eight to 10 weeks, simply to give people sufficient time to prepare their case, gather necessary documentation, initial medical evidence, et cetera. We are running about 12 weeks now, and I am hoping that will be improved.

We are looking at making some additional appointments to the part-time Appeal Commission which ensures that we have sufficient panels available to hear appeals. I also say to the member, one of the things I have suggested is we spend some time with our appeal commissioners on writing decisions that indicate reasons which, I think, at the end of the day make the process a lot more meaningful. We have had some problems in that area before.

**Mr. Lane:** Mr. Chairperson, I have one thing to supplement the minister's remarks. Most requests for a hearing can be set up at about roughly seven weeks. The Chief Appeal Commissioner who provided a report to the board of directors of the WCB—we had a regular board meeting yesterday—reported that in many cases the claimants are not ready and asked for a later date. There is a period of time basically required to put yourself in a position to be able to have your case properly heard.

**Mr. Gaudry:** Recently, my staff and I had difficulty obtaining information as to where a claimant is in the appeal process, that is, what number is the claimant on the Review Office list; how much longer will the claimant have to wait before he or she goes before the appeal panel. Why is this the case?

**Mr. Lane:** Mr. Chairperson, I am not aware as to why the member would have difficulty determining when an appeal case is coming. Is it possible that the member misunderstands and it is at the step below which is Review Office?

**Mr. Gaudry:** Mr. Chairperson, no. What we would like to know is what number is on the Review Office list.

**Mr. Lane:** Mr. Chairperson, Review Office is part of the general WCB. The Appeal Commission is totally separate. I will have to take the specific question under advisement.

I can report that the review officers have made a very significant effort, and it was reported to me on Monday that their backlog of decisions, ones that were basically ready to make, were down to 98 which is an extremely low level for the history of the place.

**Mr. Gaudry:** Yes, maybe I will repeat the last part of it also. How much longer will a claimant have to wait before he or she goes before the appeal panel?

**Mr. Lane:** Mr. Chairperson, assume we have 80,000 files in total, and we have approximately 150 to Review Office. The wait to get to Review Office could be somewhere in the order of four to six weeks. Presuming that Review Office does not change the administrative ruling, in other words, continues to decline the claimant or in effect, uphold the claimant and decline the employer, and providing there is no extra information required, it should be within that cycle of 12 weeks after Review Office can set up the appeal panel to go ahead.

The appeal commissioner has told us that in approximately a quarter of the cases that come before the appeal panel, they require to do some more investigation or more evidence is entered. On occasion, the worker brings forward medical information they have obtained independently. On occasion, it is the employer who brings forward the independent evidence.

I can fairly say that our comparison against the other boards as to speed compares quite favourably. On the other hand, for the people who are involved, any delay is not helpful, obviously, and it is the board's intention and the Appeal Commission—the board supports the Appeal Commission for providing the staff support to them. They make their own decisions.

We have put in some computer systems and ways of tracking to try and speed it up. The faster we can make it to help them reach the correct conclusion, the faster we can go because it is in no one's best interest to leave people on the side wondering what the final outcome of the process is going to be.

**Mr. Gaudry:** Yes, of the 407 cases that were heard by the Appeal panel, a decision was delayed in 11 because further information was requested. At least in one case information obtained was used to

turn down the claimant's appeal, yet the claimant did not have the opportunity to respond to that information. This seems to be a very unfair practice. Can the minister comment on this?

**Mr. Praznik:** Yes, I would say to the member that I am aware of that particular case. I have asked the Chief Appeal Commissioner to review that particular matter.

I want to say to the member that what is very important to me as minister is that the Appeal Commission be as independent a body as is possible, and that it also act and function in a fairly quasi-judicial way in terms of rendering its decisions and delivering judgments.

Obviously I do not think it is appropriate for me as minister, administration or MLAs to be making decisions on individual files. It is very important, if the system is going to work and have integrity, that the Appeal Commission functions properly. The issue raised by the member has been brought to the attention of the Chief Appeal Commissioner and those are some of the issues that we are working out now to ensure that the Appeal Commission has integrity and functions in a proper manner.

**Mr. Gaudry:** Mr. Chairperson, to what extent does the board feel it can continue to improve the timing and quality of initial adjudication?

**Mr. Lane:** Mr. Chairperson, our current goal is to reduce the unserved claims or unadjudicated claims, the ones coming in the door, to no more than 1,000. We are at 1,300. The way to do that is basically to keep introducing technological change to computer systems which we are working on. We have had a series of amendments to be made to try and help the adjudicators manage their basic workload.

Last year we significantly increased the number of adjudicators. Recently there were a significant series of promotions from Adjudicator I to Adjudicator II. The conclusion of our effort is to bring the level down so that it approximates two weeks supply of time loss claims or one weeks supply of normal claims. In respect to the time to get the first cheque, which is another very significant aspect of it, on the regular cases which are not extremely complex and require a lot of investigation or in cases in which the employer objects and says the accident was not related to work or the worker was not injured, but on the regular run of the mill time loss claim if you want, our goal basically is to reduce

it to the point that we are within the normal biweekly pay period.

The measures going there, one of the most primary ones at the present time is to provide on-line service with the large employers to the board so that claims can be filed electronically. We are in conversation with a number, and we are hoping by year end to provide that service to a fair percentage of the basic work force.

There are two advantages to doing that. Another one is not only the time that it takes us to operate, but to filing the claim itself can assist us, because usually there is a delay simply involving in collecting the data at the employer end and mailing their forms in. We have come down from 35 to 40 to say approximately 20. Our goal is to get down to the biweekly pay period.

Approximately 40 percent of the claim cheques that we do issue are done within a relatively short period of time. I believe it is within 10 days of the report coming to us right now. Any improvements we can make on that are extremely advantageous not only to the claimants, but to the process itself because the less backlog means you can be more reactive as the cases arise.

**Mr. Gaudry:** How will the electronic reporting of accidents by employers, injured workers and health care practitioners enhance initial adjudication? How will the Workers Compensations Board encourage and assist with the electronic reporting of accidents?

**Mr. Lane:** Mr. Chairperson, we have developed a software package which is available to the workplaces and a training module that is available to them. We have not advertised it yet, because we have been doing pilots with different firms to make sure it functions properly. We would expect by year end, we will probably have a flood of applications for the service, because it is a very significant way of providing service quickly.

Under Bill 59, the act reverts to 90 percent of the net, for example. Our electronic interchange will actually provide on the screen, the amount of payment that is provided. There is some very significant gains in using electronic highway. Our next move will be to try to work with the larger medical clinics to try and hook them up at least by fax, and we use a lot of faxes now.

We have converted the whole front end of the building on initial adjudication by which their goal in

life is to make the initial decision, rather than dividing it up to the various units we have which are geographic and industry mix. There are a host of efforts from policy into technology to workload type measures that are all intended to speed up the service as quickly as we can.

One difficulty we do have, I may add, is that our job is to reach the correct answer. We serve two communities, and if we do not do the proper investigation at the front end to make the decision, we can create overpayments which are a bad situation, because then of course we are obligated to recover them which we do in a very gentle and reasonable fashion. There is a margin by which it becomes imprudent to push it any further, and we think that a cheque within a biweekly pay period is all they would normally expect if they were basically on the job.

\* (1200)

One big advantage of electronic highway is on the filing of the claim itself, because our time counter starts from the time we get it. We have reduced the time already between the date of the accident and the filing of the claim by us by 10 percent. We have a belief that the electronic highway could further telescope it.

**Mr. Gaudry:** You have indicated, you have pilot projects. What industries have been targeted? How many pilot projects have you got on the go?

**Mr. Lane:** The main one going right now is extremely large employers. Without breaking the confidentiality of which ones, I think I could mention one in fairness. It is the public sector itself. We have a pilot project going on with the Department of Highways, and there are private employers as well.

**Mr. Gaudry:** When are field investigations required in the initial adjudication process? What impact do field investigations have in delaying initial adjudication?

**Mr. Lane:** Mr. Chairperson, this is the particular area where the delays come into place. Generally, what happens is that there is a reasonable question raised as to whether or not the accident happened at work or is related at work.

It can either be, as the minister suggested before, because of some comment made by the medical doctor in the report or it can be that the employer when he contacted, basically by phone or by fax to speed up the process, says this worker was not injured at work. Then we assign it to a claims

investigator and this is why we end up with the delays.

I can add that we have taken a number of procedural steps to make the field investigator reports as quick as possible. Now this is a stressful event. I mean, you have had an injury at work, or you believe it to have been related to work, and you file a claim and you receive a report from the doctor who supports the claim, and you have a case in which the employer says it did not happen at work, it was not work-related.

So the claims investigators have to be—the word would be very “diplomatic” in the approach to the various people involved, because we end up marrying three basic claims: one is from the claimant, one is from the employer, one is from the doctor.

**Mr. Gaudry:** Delays often occur during initial adjudication and at other times when a claimant requests information in his/her file. A couple of years ago, the Workers Compensation Board talked about implementing an electronic system for finding files.

What progress has been made? It seems files are still hard to find.

**Mr. Lane:** Mr. Chairperson, the member is correct. We are basically paper bound. There is a move in the Workers Compensation field, across Canada, that has been going to converting paper into electronic signals. It is called imaging.

The Ontario board is hard at work at it; Alberta is in the form of, and Saskatchewan is converting. Some of the other boards have looked at it. Our situation is somewhat different. We are a lot smaller, we are situated in one office, and we have noted some problems in some areas. For example, in Ontario, they quickly determined that the system would not work on what they call large-claim files.

If you have ever seen the system on an image, the adjudicator can only see two pieces of paper at one time, rather than going through the file. So they have gone back to what they call a large-file file. There were also difficulties experienced there in the transmission of the data from one location to another. It is a relatively new technique.

We introduced an automated Lektreiver system which moved files, and a wand system like you find in the supermarkets, to determine where files are. We are finding it has helped considerably. I cannot give you the specific statistics, but the latest test I

found was that we are finding the majority of files in extremely quick order. We have a fairly good record for handling rushes within a period of an hour. We also have an 87 percent turnaround right now on files in one day.

The other step we did, with the cooperation of our unionized staff, was the introduction of a second shift in records management. One difficulty we have in the morning is the information is not on the file, so we have a second shift that starts later in the day and works through until about 11:30, that works on the mail that comes in on that day, so when the next day shows up, the material is on the file.

Imaging is probably, undoubtedly, the wave of the future and it would improve the board, but we are not ones for believing sometimes that when you convert from a system that still has some difficulties to an automated electronic one, you would be better off to have the current system working appropriately knowing what you are getting into as far as the costs go in ensuring that we do not have service deficiencies arising out of it rather than gains. In short, we believe that imaging, undoubtedly, will come to the Manitoba WCB. It is a matter of time.

**Mr. Gaudry:** What is the average time of initial adjudication for cases involving occupational diseases?

**Mr. Lane:** Mr. Chairperson, if the member will give me one second I can—if I could suggest that the member could ask me some other questions, I will keep looking.

**Mr. Gaudry:** What is the Workers Compensation Board doing to improve rehabilitation services? Will the Workers Compensation Board make a commitment to provide rehab services for all claimants unable to return to their preaccident employment?

**Mr. Lane:** Mr. Chairperson, on rehabilitation services, we are trying to intervene as quickly as possible after the accident, so that we can start providing services to people in need of rehabilitation services quickly, rather than a two-year wait which was, unfortunately, the all too often basic practice and resulted largely in the long-term case situation.

What happens now is that a case agreement is required at the outset. An agreement is reached between the board and the claimant as to the process that is going to be followed as to what is the logical outcome. For example, there is a large discussion and assessment made as to whether

they have any permanent restrictions on their physical ability; what are their aspirations; what is the likelihood of them finding employment on a reasonable basis within a particular industry; what duration do they imagine would be required to work through the process. These agreements are signed and the process begins.

At some point, there is a change in which the rehab counsellor brings in our employment services people. These are the people who will now work on a bus route location right on Portage Avenue, a modern facility. It is quite attractive. I understand that the claimants appreciate the change from the walk-up second-floor location that used to exist, in which the employment service effort is made to actually find them employment, and that effort goes on. We think we have made substantial gains.

The other area that we have a lot of gains is we have developed and distributed a vocational rehabilitation discussion paper that was sent out to all stakeholder communities—labour, employers, the academics, et cetera. It drew rave notices from other service providers in the same field and that was developed. The long-term claims project rather than being something that was bad for the claimants is of assistance to the claimants, because these are people who otherwise would be sitting on comp for years and years and never have perhaps any opportunity to return.

After an accident, there is a period of time in which you have a fairly high likelihood of being able to return to work. You wait a fairly lengthy period of time, particularly in respect to back injuries, and it becomes extremely difficult to get them back.

Mr. Chairperson, with your permission, I have some statistics here.

We are still looking, Mr. Chairperson.

\* (1210)

**Mr. Gaudry:** Mr. Chairperson, does this include claimants who have aggravated the pre-existing condition?

**Mr. Lane:** We are responsible for the aggravation, for restoring the person to the position they basically were. Pre-existing conditions is a very difficult area and a plan that is not all cause. Our responsibility is to provide compensation and service for as long as the period of time that the aggravation is preventing them from returning to work.

Some of the difficulties that arise in a plan that is not all cause is when you come to a condition which, during the period of while the person is on compensation, the pre-existing condition can be debilitating and progressive itself, okay, like a degenerative back or something like that in which, notwithstanding the accident, the condition would have persisted to the point where the person was disabled and unable to return. The approach to pre-existing conditions is supported by the board in policy.

**Mr. Gaudry:** Where a claimant is unable to return to his or her pre-accident employment, the Workers Compensation Board has adopted a policy whereby it will only provide training or educational upgrading to the extent that the claimant is able to return to the work force at a similar level. If it is feasible economically and if the claimant has the ability, will the Workers Compensation Board consider providing training or educational upgrading so that the claimant can enhance his or her earnings, potential and quality of employment?

**Mr. Lane:** Mr. Chairperson, the board does provide training and education opportunities for claimants. It depends upon the circumstances. It depends upon the likely ramifications of the decision on what the outcome is going to be. It also depends upon what the desire the claimant has themselves. It would be extremely rare in which you would take a person in a particular field and convert them into a field that they would never at all consider with little hope in any other way. The idea is to be practical.

You can convert, say, a truck driver to another type of field which their basic background would suit. You are not going to take someone who generally works in one particular profession and turn them into a completely different one, after lengthy university training, unless the salary level and wage loss paid by the board creates a demanding need for that from both aspects, both for the claimants and from the financial prudence standpoint.

**Mr. Gaudry:** What will the Workers Compensation Board do to ensure that Workers Compensation Board health care practitioners are informed of WCB policies and other objectives intended to promote medical rehab and an early return to work?

**Mr. Lane:** Mr. Chairperson, as the minister was speaking earlier about the improvements in our health care unit which are significant, we have, in the process of creating a unit within our health care

group whose purpose is basically going to be to communicate with other physicians in Manitoba to help them understand the program and how to relate to it and to provide indications and evidence to other physicians as to treatment modes that have proven useful in other cases, some physicians do not see the range of cases that we see through our particular practice at the board, and the information that we can provide to physicians generally can be extremely useful.

The board has been not very good at taking its message out to the general physician group. This is one of the primary efforts that are being developed right now. We have set up a triage unit right at the front end of our health care unit by which we can give advice to treating physicians on a fairly quick basis to ensure that rehabilitation does not take place too late to be of the same beneficial impact that it would otherwise be.

**Mr. Gaudry:** The Workers Compensation Board projects both revenues and expenditures will decrease this year and then gradually increase. Could the minister explain?

**Mr. Lane:** What is happening right now is a number of conflicting factors. The economy is undergoing a severe contraction according basically to our records, and our assessment revenues are not meeting our budget targets. At the same time, fortunately for the general population and the employer community, the investment yields have dropped considerably as well. Short-term interest rates have declined from a high in the mid-teens all the way down to below 6 percent in the bank rate. So we have had some revenue drop off which has been experienced, by the way, by every board in Canada.

On the other side, of course, the accident volume surprisingly has continued to fall off. We had predicted this year that there would be some increase along with the economy in the accident volume. It has not happened. The time loss accidents to the end of May were down another 13 percent from the depressed level of accident volumes of the year before. So the combination of these two factors is tending to produce a balanced result which, by the way, we have until the end of May.

Another factor, of course, is that the constant efforts in respect to accident prevention hopefully will have an effect. Improved rehabilitation could

have an effect basically on duration. Bill 59 does create some savings from the board's benefit package in respect that 90 percent of net, which is more representative of the take-home package than 75 percent of gross across Canada, which is the model basically followed by all of the boards now, is less expensive than the other.

So there is a whole host of various reasons why we believe that over a period of time, the deficit can be retired and the rates can be brought down without depriving injured workers of their just entitlements under the act.

**Mr. Gaudry:** What will be the impact of the prolonged recession on your revenues?

**Mr. Lane:** Mr. Chairperson, our revenues at this point in time are off approximately 8 percent over our projected level, but a corresponding drop in expenses has managed to keep it even. We expect, like most of the other forecasters, that the economy will start to pick up, and we are expecting that our assessment revenues will return to the projected range hopefully by next year.

**Mr. Gaudry:** Are you forecasting any increase to employers in the near future?

**Mr. Lane:** Yes, we are expecting a very slow recovery.

**Mr. Gaudry:** What strategies will the Workers Compensation Board develop in order to maximize the revenue from investments?

**Mr. Lane:** Mr. Chairperson, the board has approved an investment policy which calls for the use of other investment classes rather than the ones that the board has usually utilized, which have all been fixed income securities. Under the auspices of that policy, the board has begun to diversify into different asset classes. For example, we are now into the equity markets. We are into other bond-type issues, all within the normal credit-type ratings.

We have also invested in some private placements which can be beneficial, frankly, to the Manitoba economy. We are hoping that as a result of this, we will increase the real rate of return to the board to 4 percent over the long haul. Right now, the real rate of return is amazingly high, quite frankly, compared to inflation, but that is probably a bit of an historical anomaly.

**Mr. Gaudry:** Does the government believe that the Workers Compensation Board's scope of coverage

should be increased to include industries not covered by the act at present?

**Mr. Praznik:** Yes, Mr. Chairperson, that is a policy issue that I will deal with. I know that the current board of directors is considering various areas that might fit and would make the appropriate recommendations.

**Mr. Gaudry:** In the Workers Compensation annual report, Robert Kopstein said that the Workers Compensation Board should examine the development of a universal, all-cause workers compensation system. Certainly one of the great difficulties which the WCB faces is determining whether or not certain injuries in fact occurred during the course of employment.

Is the Workers Compensation Board studying the universal, all-cause option? If so, would the Workers Compensation Board table an interim report?

**Mr. Praznik:** Yes, Mr. Lane will provide some additional information, but I know at the time we did Bill 59, that there was some discussion about, at some point, looking at that kind of expansion. But it would have to come at a time when the board was financially sound, that the unfunded liability was eliminated, the board was on firm financial ground before that could even be considered.

Mr. Lane will give you some more information on behalf of the board and the work that they have done.

**Mr. Lane:** Mr. Chairperson, the board, through its research and planning arm, and the policy committee of the board, are engaged in an ongoing review of the area.

This program began a long time ago. A lot of things have changed in society, as the minister says. There are probably other opportunities for both workers and employers out there if we can make this program work effectively, work within its revenue opportunities. I think that the opportunities will become self-evident to both groups over time.

If I could, Mr. Chairperson, the member asked a question in respect to disease and the time to first payment on those particular cases. I do not have all of the tables on the explanation—I could provide later—but it would appear that it is somewhere in the order of two to three months to adjudicate an occupational disease claim, till we actually get a cheque out.

\* (1220)

**Mr. Steve Ashton (Thompson):** Just before proceeding, I note we are at 12:20, I just suggest that we—I think we are going to have to come back on this. We certainly have not finished our questions, and I have just some brief comments. Perhaps the critics could be allowed to perhaps speak for a few minutes afterward. I think we could probably wrap it up a bit after 12:30.

**Mr. Chairperson:** Is it the will of the committee to continue? [Agreed]

**Mr. Ashton:** What I want to put on the record are my concerns about the two documents before us, because I think they are politicized documents. I believe they are inaccurate documents, and more importantly, for the people whom I am concerned about most of all, the injured workers, I think the documents indicate the degree of paranoia and insensitivity that exists currently amongst some senior management people at the Workers Compensation Board.

Believe you me, Mr. Chairperson, I have had a great deal of difficulty in reading through this so-called history of the Workers Compensation Board. I could get into the history. I could get into what happened in the 1980s, because the introductory comment in here on page 3 in the Five Year Operating Plan is not a fair comment. It is not true, and it is distortion to talk about what happened in the 1980s in Manitoba in terms of inefficiency, poor service, significant financial losses and generally dissatisfied employer and labour communities.

It completely ignores some of the significant changes that were made that benefitted workers in the 1980s. It significantly avoided the fact that one of the real problems in terms of financial position was that the government decided in the late 1970s not to increase rates to the level it should have, and the NDP government in the 1980s did not increase to the full cost impact of some of those additional programs that were put in place.

So we could get into a great deal of discussion about that and also about the sections in here, particularly in this Annual Operations Report which talk almost as if the reform process was initiated in 1988. That is not true. In fact, there is a brief reference in one of these documents to the history—not under the Annual Operations Report, Mr. Chairperson—to the fact that one of the most

significant initiatives was in the mid-1980s when the previous government appointed what has become known as the King task force report of employees and Mr. Brian King. The bottom line is that produced many recommendations, some of which have been implemented, some of which have been watered down and some of which have been ignored.

So I have real difficulties with some of the selective history in here, but I am not concerned about history. I am concerned about the current status. One section of this report that I find particularly offensive is the section on the Annual Operations Report which talks about, on a regular basis, political interest groups. The media or a member of the Legislature lobby the WCB or the government resulting in public controversy and the reluctance of the opposing interest to halt their own lobbying activities.

Well, it seems, Mr. Chairperson—and I am speaking from the experience as a former Workers Compensation critic—that every time a concern is raised about policy or cases, there are certain people in terms of senior management of the board—I am not saying staff here, I am saying in terms of senior management of the board who seem to take that as a personal attack on them.

Well, I have been a member of the Legislature for 10 years. I was Workers Compensation critic for the New Democratic Party for several years. I can say to the board, the bottom line is when controversy exists, it is not because of members of the Legislature. It is not because of the labour movement. It is because people feel they are aggrieved. They do not feel they are getting a fair shake from the Workers Compensation Board. No matter what you feel about whether they are justified in the complaints or not, I find it very insulting when then some of us—and every time someone has come to me on a Workers Compensation case, I have contacted the board, have gone to bat for them, both as an MLA and the Workers Compensation critic.

That is not creating controversy. That is doing our jobs as members of the Legislature. The controversy exists because of the concerns of workers. I am very concerned about, as I said, the degree of paranoia, and I have seen it, Mr. Chairperson. I remember when I was Workers Compensation critic, I had a press conference. What I did is I asked people who had problems with Workers Compensation to come forward. I had

literally dozens of people do that. The next thing I know, an internal memo was circulated to staff at Workers Compensation, basically attacking me for having raised the concerns and indicating that I had attacked the board and board staff, developing what I think was a bunker mentality.

Mr. Chairperson, I never attacked the board's staff. What I did is, I raised the concern about the policy decisions that were made, and I make no apologies for that. I am similarly concerned about this document, as well, because quite frankly, I have never seen such a political document in the 10 years I have been sitting in this Legislature looking at reports before the committee. This report goes into great detail about Bill 59. A supposed arm's-length agency from the government is acting as a cheerleader for the government and goes into great detail arguing the supposed benefits of Bill 59.

I can say categorically that we opposed a significant portion of Bill 59. Many workers opposed that. Many injured workers opposed that. They felt that it was a bill aimed at doing little more than, not modernizing as this report suggests, but cutting the bottom line. We expressed the concern last year that what would happen is the bottom line would be cut at the expense of injured workers, Mr. Chairperson, and the concern still exists.

I do not want to get into debates in these committees about Bill 59. I am quite happy to do that in the House, but I have real problems with what I see as a growing politicization of the board, a growing political bias as expressed in the Annual Operations Report, and most of it appears between pages 7 and 16. I do not know if it is the report of the chief executive officer—his picture appears on it, but it is not signed—so it is coming from, obviously, the board itself.

This is not only wrong in an historic sense. What is more important is that I think it indicates a level of paranoia. It seems to me, Mr. Chairperson, there is only one area where this senior management on the board, or at least somebody, whoever is writing this report, is sensitive. It is not to the concerns that we are expressing on behalf of injured workers. It is sensitivity to criticism.

The bottom line is we want a fair workers compensation system. We disagree with some of the directions the government is taking workers compensation in. We are concerned about individual cases. We will continue to raise those

concerns, and we do not need a supposed arm's-length agency from government indicating an unprecedented degree of bias as indicated in this report. The bottom line is, Mr. Chairperson, I am very disturbed about what is happening at Workers Compensation.

I look to the minister to say to whoever is preparing these kinds of reports that we do not want a politicized Workers Compensation Board. We do not want a Workers Compensation Board that is putting out distorted and inaccurate statements in its report. We want a Workers Compensation Board that is going to be fair, that is going to listen to all sides, labour, management, but most particularly to the injured workers, and then when we go as the messengers, as we are, of the concerns of injured workers, that we not be shot, that we not be the messengers who are shot.

What we are saying on behalf of injured workers, Mr. Chairperson, is what they are saying themselves. It is about time, and I hope that the next board document that comes forward next year will reflect that, instead of the paranoia and nonsense in this current report.

Thank you, Mr. Chairperson.

**Mr. Lane:** Mr. Chairperson, I will just provide certain facts. From my own observation, from being there since 1988 and reviewing the situation that preceded it, I think it would be a very fair statement to say that the board does operate arm's length from the government presently.

In respect to the preparation of the five-year plan in the annual report, both those documents were written on the basis that they are the agency's report. They were not discussed with the government at all. They were approved by the board of directors of the board, and they attempt to do a number of things.

It was the 75th anniversary of the board. The attempt was to provide some sense for the two stakeholder communities that basically benefit from the plan, both workers and employers, as to what the situation is, how did it reach here, and what are the potential opportunities for this program to be something more than it is in the long haul if we can make the administration work properly, if we can get the financial situation under control, and we can make some effort to reduce the phenomenal number of accidents that continue to operate.

As to the question as to just what was the situation in 1988, I think it would be reasonable to answer the question by simply indicating the changes that have occurred since then. The minister reviewed some of them, but I will just review a few others.

The Legislature in its wisdom has provided a modern and effective government structure which was achieved in Bill 56 in 1990. It has assured benefit entitlements and other legislative provisions that reflect the established principles of compensation in modern and workable times, not rooted in 1916. That was done in Bill 59.

The board has been able to establish the necessary research. There was no research and planning department in 1988—it did not exist—to identify feasible future directions for the program to better serve workers and employers. The concept of being identified, the research, continues with the active participant of all boards members and the policy committee.

\* (1230)

In respect to accounting, some of the changes that were required to be done were to conform the accounting to generally accepted accounting principles. It was to provide acceptable budgets. It was to develop and produce monthly financial statements. It was to produce quarterly financial statements, so both stakeholder communities could be aware as to the progress of the board and the effects of workplace accidents in the economy on a monthly and quarterly basis. It was to provide a management information system which did not exist. It was to provide an appropriate assessment system that worked to fairly allocate the costs among the employers. It was to provide a forecasting model which has been provided, which is among the best right now in Canada, in which we can look out as far as 2008, and attempt to try and define what will happen in the economy in relation to the program now and determine what the results will be in payments made out to workers and premiums to be paid by employers to provide them with a basis by which they could perhaps consider changes in concept.

In respect to service improvements: 3,550 unserved claims, 1988, presently 1,306, and we have had it lower than that; time delays in first payments cut by 50 percent; the involvement of more discipline in respect to the management of the claims and the process of servicing them quickly;

the communications on all fronts to employers and workers with respect to assessments and a variety of other measures; reduced caseloads; the provision of an initial adjudication unit; the provision of a self-employment service at the board, so that we could better service executive coverage and things of that particular nature; an automated clearance system so people could tell whether or not a registered employer was covered or not when they let a contract go to another contractor; a completely automated 90 and 80 percent net system that did not require more staff to put in, which resulted in a reduction in the risk of error; a significantly improving and soon to be effective health care management system; much more effective claims management.

The fact of the matter is, in this particular province, at this particular board, this is the only board in which the average duration of claims more mirrors what is going on in the economy.

Improved service in response to long-term claims; improved employment services and rehabilitation.

Looking at the financial assessment side, it is important for the workers that there be sufficient funds set aside to meet the cost of the claims into the future. There has been an annual surplus in operation since 1989. Between 1982 and 1988, the board ran up deficits of about \$260 million while at the same time, they tripled the rates. The unfunded liability is down, when you take into account the disaster fund to below \$90 million.

When we compare to some of the other provinces—the situation is significantly different. In Ontario this year, the board in Ontario ran up a deficit of \$1.25 billion. In Quebec, they ran up three-quarters of a billion dollars. In Ontario, their reported deficit right now exceeds \$10.5 billion. Their population is nine times as great as ours. On that ratio, we should have a deficit of approximately \$1.4 billion. We have a deficit of 89. We have an assessment model that results in the employers basically accepting the claims that we make upon them to fund workers' claims.

We have a reclassification of firms to appropriate classifications. We have a conclusion to the risk of cross-subsidization between self-assurers and the registered employer group. The average rate level has calmed down in an economy which is hard-pressed with the board's records showing that the number of employers operating declined for two straight years, which is not a very good thing, and

having reduced rates makes it possible for employers to operate more competitively and possibly add workers, hopefully, in the long haul.

In accident prevention, the board's funded Industry Safety Association is to work on reducing accidents; significantly improved co-operation with Workplace Safety and Health; the Merit Surcharge Program to target workplaces that are not working very effectively and where too many accidents are occurring; the Client Services department to let people know the causes and results of accidents so they can actually go at ones, for example, hand injuries, eye injuries, what are the nature of them, why are they happening, what is the average duration; research and development grants—the most recent one approved by the board was the funding of video films to be used in high schools on accident prevention; the involvement with the Manitoba Safety Council, the advisory council to Workplace Safety and Health; the Industrial Accident Prevention Association, the World Safety Organization and a host of other ones.

In internal operations, now we have policy and procedure manuals where before we had memory and slips of paper. We have an appropriate method by which policy is developed and costed for the implications for the various groups. We have training and management controls. The entire staff and the organization has been reorganized. The technology has been moved up considerably. We have research and planning. We publish planning documents.

In communications, we issue planning documents; we publish reports; we revise brochures; we have a speakers bureau. On investments, we have a policy where none existed. We have efforts to improve investment management, rather than the low yields that existed in the past. Improved yields mean lower assessments in the long haul which means more money out there in the economy rather than sitting with the board.

On the appeal process, you now have an independent appeal process not linked with the administration itself. You have legislative representatives of workers and employers in the public interest. You have formal rules of conduct and proceedings for panels, commissions and medical review panels. You have vastly increased panel rosters. You have the establishment of a Fair

Practices office that did not exist. You have a complete reform of the Review Office.

In respect to compliance with legislation and policy, we have increased legal support and internal board policy. All policy and legislation being developed is reviewed from a legal perspective. There is a prior review of all legal contracts issued by the board. In compliance with actuarial and audit accounting standards, we have involved the actuaries in the rate setting model. We have engaged an operational auditor. We were one of the first boards to comply with generally accepted accounting principles, and we analyze all financial ramifications of policy and practice changes.

In human resources, we made a number of changes, and we continue to try to improve our service in that area. In facilities, we now have adequate space. We have space that injured workers can relate to, who do not have to crawl up onto the second floor in some situations or operate elevators which are meant for freight, not for people. We have telephone lines that lead into the building. We have efforts with MTS to improve that particular service. We have the separation of the Appeals Commission and Criminal Injuries basically from the normal administrative practice. We have the adoption of modern file management systems.

In conclusion, I would simply like to say for all of these changes to occur, I leave to the committee's imagination as to what the situation was in 1988.

**Mr. Reid:** I have many concerns and many questions still remaining, and I believe that we need to have further opportunities to raise these questions with the minister and with the Workers Compensation Board itself. These are dealing in a large way with the policy that is in place, but how it impacts upon people, injured workers in the province of Manitoba.

I have not had, myself, significant time as this would require to ask all of those questions that are on my mind, that need to be asked, questions that have been brought to me by individual claimants and support groups that are in place in the communities throughout the province, because there is more than one support group.

The member for Thompson (Mr. Ashton) has raised, the indication that he gave was that there is a level of paranoia that exists within the Workers Compensation Board. I can only refer back to the correspondence that I have received from the

administration of the Workers Compensation Board itself. I find that the statements made by the member for Thompson are very accurate, a very accurate reflection of what exists in the administration of the board, but I will not deal specifically with that.

I want to raise to your awareness, as the member for Thompson has also done, that I am not here representing myself. I am here to represent those hundreds and possibly thousands of claimants who feel that they have been unjustly dealt with by the Workers Compensation Board. You talk about the survey that was done recently, which we have not seen the questions for, for which we would like to have copies of the questioning that is involved.

You talk about an 85 percent satisfaction ratio. That means 15 percent of 50,000 cases a year are not satisfied—7,500 injured workers in the province are not satisfied with the way their cases have been treated by the Workers Compensation Board. Compound that year after year, and we run into tens of thousands of people who are not satisfied.

\* (1240)

So when these cases come to me, I represent these people because they have brought them to me, two- and three- and four-inch thick files that I have to go through. I know what you are dealing with every day because I deal with it every day. Then I get statements like this that come out from the Workers Compensation Board, pure personal political attacks, not on a member of the Manitoba Legislature or the member for Transcona (Mr. Reid), but on Daryl Reid, the individual.

Now I want to know who it is on the board that authorized this type of personal attack. Is it the minister that authorized this type of personal attack, because the board is responsible to the minister? Are you, Mr. Minister, responsible for this type of attack? Is this your wish or the mandate that you have given to the board?

I ask questions on behalf of the injured workers of the province, not on behalf of myself, because I do not have a claim before the board. Yet we see here that Kim Jasper, the manager of communications, said that I made allegations. Well, these are not allegations. If you want to see the file, I have the file right here. If you want to see any one of the files I have, you have access to it as much as I do. This is factual information that I am bringing forward. The minister says time after time that I am not

bringing factual information forward. Well, I extract that information directly from the file itself. You have access to that information. You are calling the doctors liars. You are calling the workers liars.

There are many questions, and I want to have an answer as to why this type of correspondence goes out in press releases to the media. If you want to attack my office, attack my office, but do not attack me as a member of the public personally. That is not proper protocol to undertake for any agency of government, and I find it highly offensive that your agency would do that.

**Mr. Chairperson:** Mr. Lane.

**Mr. Reid:** I am not finished yet, Mr. Chairperson. I will try to be brief.

As I indicated, there are many, many questions which come to mind, and I believe we have other opportunities. The question remains about whether or not a decision is going to be made affecting an individual who falls under federal jurisdiction, whether the individual is going to be adjudicated by the provincial Workers Compensation Board, or they are going to fall under the federal jurisdiction with respect to definition of the accident itself.

That decision has not been rendered yet. I will leave that question with you so that you can provide answers for it at another time in the near future. I do not want to see any more of these political attacks taking place. We are here to represent the workers of this province.

I have a case here for an individual that I wished I had time to raise with you today. This particular woman was a nurse, had an injury in the mid- to late-'80s and had subsequent recurrences of that case. Her doctor was told that she did not have to supply any further information. A contract was signed between the individual woman and the Compensation Board giving the worker the opportunity for rehabilitation. She went back to university. She is a chronic pain sufferer. Now I find out that in April of this year, the Compensation Board has unilaterally terminated the benefits for this individual while she is attempting to rehabilitate herself.

That is not the type of agency that I want to see in my province representing the interests of injured workers. You have to have some heart and some compassion. This person is a chronic pain sufferer, is trying her best to rehabilitate herself so that she can be reintegrated into the work force. Her family

is suffering. She is at a loss for financial security in this sense. What is she supposed to do? What are the other injured workers of the province supposed to do?

We have talked about the cases in the past, and I will not go into the individual case itself dealing with an incident that happened in April of this year. You know full well what I am talking about, and the chronic pain sufferers—what I want to know is, what policies and programs do you have in place to assist the chronic pain sufferers who are out there who do not have any means to relieve that pain and suffering?

Then I see documentation between the doctors of the Compensation Board and individual private doctors treating these claimants, and the Compensation Board doctors question the medication that the private physician is administering to his patient to assist them in relieving the chronic pain that they live through 24 hours a day, 365 days a year. I find it appalling that our agency would do that.

We have to have some programs put in place to assist these chronic pain sufferers, so that we do not have a repeat of that tragic circumstance. We do not need more of that. I can assure you that on a weekly basis since I raised this issue in the House, there have been at least two cases a week that have come to me and have indicated on a one-to-one basis that they themselves have contemplated the same action in the past, so that if we do not have some programs and policies in place to assist them, we may see, God forbid, but we may see a repeat of that tragic event. I do not want to see that. I think we have to have some programs and policies in place to assist these people.

I can assure the members of the Compensation Board that contrary to the letters that have been sent to me, the personal letters that have been sent to me, I think the Compensation Board is an agency worth supporting if they represent the interests of the injured workers in the province of Manitoba.

I do not see that taking place in 100 percent of the cases right now. What I see is an agency that is solely interested in securing the bottom line of the operations itself. You may not agree with that, but that is the perception that I have, and that is the perception of the public, because the public comes and tells me that this is what their perception is.

They are fearful of an agency that is supposed to be representing them in the most vulnerable moments of their lives, when many of them cannot get out of their own beds or leave their own homes to live a normal life, a quality of life that they previously had and was snapped away from them at a moment's notice. They need to have some sense of security from the agency that is supposed to be there to lend some assistance to them. I do not see that taking place in all of the cases.

You might have an 85 percent satisfaction ratio, but let me tell you that the 7,000 workers a year who come to you who are dissatisfied need to have some security with the system as well. We cannot ignore those people. We cannot ignore those people. We cannot throw those people onto the scrap heap and ignore them. That is not what we should be doing. So I hope you have listened to the comments that we have raised and that you will consider, because these problems were identified by the King task force report.

Many of the recommendations that the board has cherry-picked out of, you have not implemented all of the recommendations. I know that. The problems were identified. We want to see you implement the rest of the recommendations that were in there, to ensure that you are listening to the members of the public and representing all of the public, not just the employers. The injured workers themselves are the most important component of this whole process. I think we should have a public hearing process on this, another task force to determine whether or not you are meeting the mandated role that has been put in place for you. Ask the injured workers of the province.

These are not conceptual problems as has been indicated by members of the administration. There are many gaps in the system, but I can assure you, coming from a heavy industry myself, every worker who is employed in this province has the thought in their mind that in the event of a workplace injury, they are protected, there will be financial security for themselves and their family.

Now we are told there are gaps in the system and that they should go out and buy private insurance. Well, if you advertise the fact that there are gaps in the system, then maybe these workers who are employed in the industries that are covered or provided protection through the Workers Compensation Board would be aware of that, but at the current time, they are not aware of it. They think

that if they get hurt in a workplace accident, they will be provided with financial security.

\* (1250)

So you have to do some advertising to that fact, and I think that there needs to be overall improvements to the program itself, not just to ignore or to say to offload these costs for the gaps in the system back on to the injured workers themselves, because even as indicated in Bill 59, there are collateral benefits that are taken into consideration, where the benefits are deducted from the payments that are made to the individual injured workers themselves.

I do not think, personally myself, that is the way to go. I disagree with that. I disagree with many of the concepts of Bill 59, and I expressed my concerns through debate on this bill at that time, because I do not agree with the concept of 90 percent net. Take the example of \$10 an hour. If you go \$10 an hour in the 75 percent gross pay, that means the injured worker will be receiving \$7.50 an hour benefit. If you go in the 90 percent net formula, that worker will be receiving \$5.85 or \$5.87 an hour—a significant drop in benefits.

How can you say as an agency that this is a boon to the injured workers in the province of Manitoba? It is cutting the benefits to them. It is them and their families whom you are affecting at their most vulnerable moments. This is not progress. This is a regressive act. I do not agree with that. I have indicated that in the past, and I will continue to indicate that to you.

Until you represent the interests of all of the players in this, with the injured worker as the key and primary component of it, there will be no satisfaction out there in the public, in a public that has come to depend upon an agency that is supposed to be there to represent them and to look after their financial interests in their most vulnerable moments.

I do not want to hear, I do not ever want to hear another case that comes before me and tells me, the Compensation Board has told me, do as we say or you are cut off. That happens far too often for any agency. I do not want to hear that again—[applause]

**Mr. Chairperson:** Order, please. I would remind the spectators in the gallery that this is not a place for applause, for or against.

**Mr. Reid:** I hope the minister and the Workers Compensation Board will listen to the comments that have been placed on the record here today and to the many questions that we still have and need to be asked, and that we will have further hearings on this matter in committee so that we can ask those questions on behalf of the injured workers of the province of Manitoba, and that we have the opportunity to go to a task force so that the Workers Compensation Board agency itself can listen to what Manitobans have to say with respect to the agency and the programs that it delivers. Thank you, Mr. Chairperson.

**Mr. Chairperson:** Thank you, Mr. Reid.

The committee is considered to have concluded the examination of the reports this morning. The time being 12:55, committee rise.

**COMMITTEE ROSE AT: 12:53 p.m.**