



November 2012

*A Message from the Premier  
to  
Philip Hochstein*

Congratulations, Philip,

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S22 Thank you for all that you do to build our economy and make our province a better place. Your feedback, insight and support have always been appreciated.

S22

Sincerely,

A handwritten signature in black ink, appearing to read 'Christy Clark', written over the printed name and title.

Christy Clark  
Premier



BRITISH  
COLUMBIA

Ref: 95530

**JAN 30 2012**

Philip Hochstein  
President  
Independent Contractors and  
Businesses Association of British Columbia  
#211-3823 Henning Drive  
Burnaby BC V5C 6P3

Dear Mr. Hochstein:

I am in receipt of the note you wrote on December 19, accompanying the article in *The Construction Monitor* regarding WorkSafeBC and the claims duration of injured workers in the construction sector. As the Minister responsible for WorkSafeBC, I am pleased to respond.

You note in your letter and article in *The Construction Monitor* that injured workers' claims duration in the construction sector is a concern. In your article, you reference the pilot at WorkSafeBC that has reduced the duration of workers' claims through early intervention initiatives. I am advised by WorkSafeBC that this pilot is being rolled out for all construction claims throughout the province by the end of January 2012.

WorkSafeBC has also advised me that there are many factors contributing to the increase in the duration of workers' claims and the associated claims costs. The slowdown in the construction sector has meant less availability for workers to return to work for modified or full duties. Instead, as an alternative, these workers are being referred to Occupational Rehabilitation programs. This results in an extended duration as these programs are typically five to six weeks in length.

You also refer to the system 'morphing ...into a quasi-employment-insurance scheme and it is being managed for economic reasons – and claims are getting extended'. WorkSafeBC assures me that this is not the case. Each injured worker is receiving the appropriate clinical and vocational services and benefits until such time as the claim is medically plateaued or the worker is fit to return to work. Claims are not extended to provide workers social assistance income.

I also understand you are in discussion with WorkSafeBC to develop an industry action plan partnering with WorkSafeBC and the BC Safety Association. This work is important and I hope that you will continue to participate.

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If you would like to discuss this matter further, please contact Ian Munroe, WorkSafeBC VP Claims Services, Worker & Employer Services at 604 276-3118.

Once again, thank you for sharing your views on this important issue.

Yours truly,

**Original Signed By**

Margaret MacDiarmid  
Minister of Labour, Citizens' Services and Open Government

Cc. ✓ Premier Christy Clark  
Ian Munroe, WorkSafeBC VP Claims Services



December 19, 2011

Ministry of Labour, Citizens' Services and Open Government	
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Dear Members, Suppliers, and Friends:

Safety is a key value in construction. We all work hard to keep accidents from happening, and we have the workers compensation system to help injured employees recover and get back on the job. It's good for the companies, it's good for the workers, and it's good for productivity.

But the value of the program has been eroded by the rising duration of injured workers time off the job. This edition of *The Construction Monitor* looks at this troubling trend. Our industry's investments in safety are paying off, and the accident rate is steadily falling. But in B.C. duration is headed in the opposite direction.

As this report highlights, we have a baseline for just how long workers should be off the job – the boom of the 2000s. Workers were back on the job as soon as possible because a paycheck is better – and bigger – than a WCB cheque.

What's happened since then is a morphing of workers compensation into a quasi-employment-insurance scheme. It appears the system is being managed for economic reasons – and claims are getting extended. This places an unfair burden on the system – and on the industry.

This edition of *The Construction Monitor* lays out some of the paths WorkSafeBC should follow if we are to restore fairness to the system – and ensure that injured employees are covered when they are unable to work, not unable to find a job.

Please feel free to email me your thoughts at [info@icba.ca](mailto:info@icba.ca). You can also request a pdf of this report to share with friends and colleagues or a text version of the commentary to use in your newsletters or publications at the same email address.

Sincerely,

Philip Hochstein  
President

Independent Contractors and Businesses Association of British Columbia

#211 - 3823 Henning Drive • Burnaby, British Columbia • V5C 6P3

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★ CANADA ★

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# CONSTRUCTION MONITOR

The BC CONSTRUCTION MONITOR is an ICBA publication providing ahead-of-the-curve information and statistics on the BC construction industry and issues relevant to it.

The Monitor draws on analyses and outlooks from various sources, and provides current and substantive insight. This regular publication is intended for industry executives, government decision makers, journalists and other opinion leaders.

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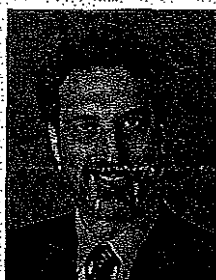
Losing the benefit of fewer injuries... Inside

Faster returns benefit workers... Inside

Cost savings are possible... Back page

You can receive the Monitor in print or digital formats, and let us know if you have colleagues who would also be interested in it. We also welcome your feedback and story suggestions. Please email us at [info@icba.ca](mailto:info@icba.ca).

## Workers Comp Shouldn't Become an EI Alternative



Philip Hochstein

Construction companies look back on the pre-Olympic economic boom that swept over our province with happy memories. We were all working at full tilt on projects of every size. Our crews were busy. And there was always another job around the corner.

But there's another reason to look back on the pre-2008 market fondly – it was when the duration of workplace injuries hit their natural length.

Recent statistics from WorkSafeBC show that economics, not medical needs or changes in

health and safety outcomes, are driving the length of time injured workers stay off the job. This is pushing the length of claims up, and management of claims by WorkSafeBC isn't doing enough to counteract this trend. Instead the system is being managed more like an employment insurance program.

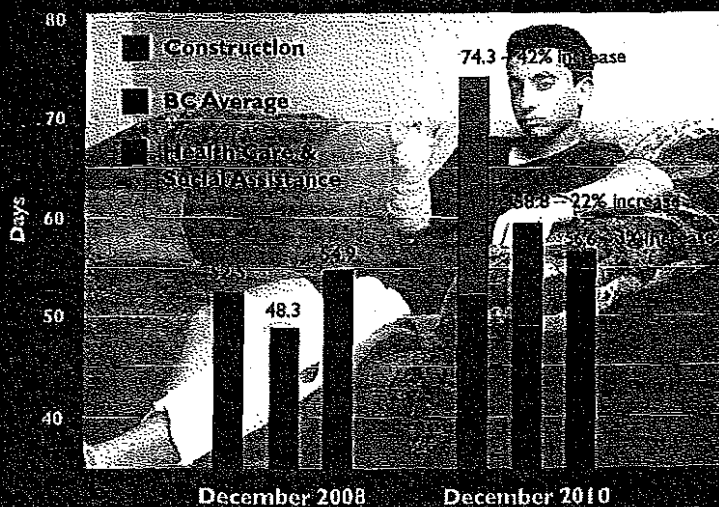
The WorkSafeBC statistics detail the average duration of claims over recent years. We've hit ground since 2008, with the average duration disability claims rising sharply. This is despite the fact that our investments in safety are paying off. In the same time period the construction industry injury rate has been decreasing in a continuation of a decades-long trend.

See Workers Comp Claims

### Construction Disability Duration Rises Sharply

Increases in the length of short-term disability claims have been widespread during the recent period of economic uncertainty, but construction has had the most dramatic jump of all major industries. Less than one-fifth of active construction claims had a duration of more than 240 days at the beginning of 2009, but fully a third did by late 2010.

#### AVERAGE SHORT-TERM DISABILITY CLAIM DURATION



Source: Business Information & Analysis (analysis undertaken for WorkSafeBC)

## Improvement is Possible

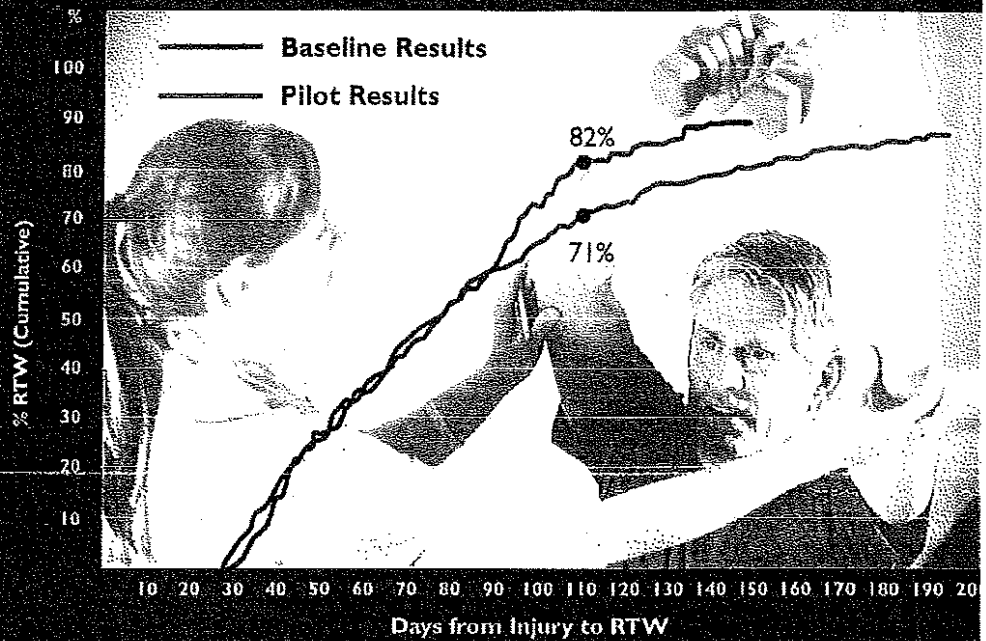
### Early Intervention Gets Workers Back Faster

A recent WorkSafeBC pilot project confirmed the potential to bring down the length of disability claims even under challenging economic circumstances. Quicker entry into an active rehab program after a back sprain injury was found to boost what was otherwise a 71% return-to-work rate at 110 days from injury, to an 82% rate. The baseline population didn't achieve that same return-to-work rate until 155 days from injury.

### And the Cost Savings are Significant

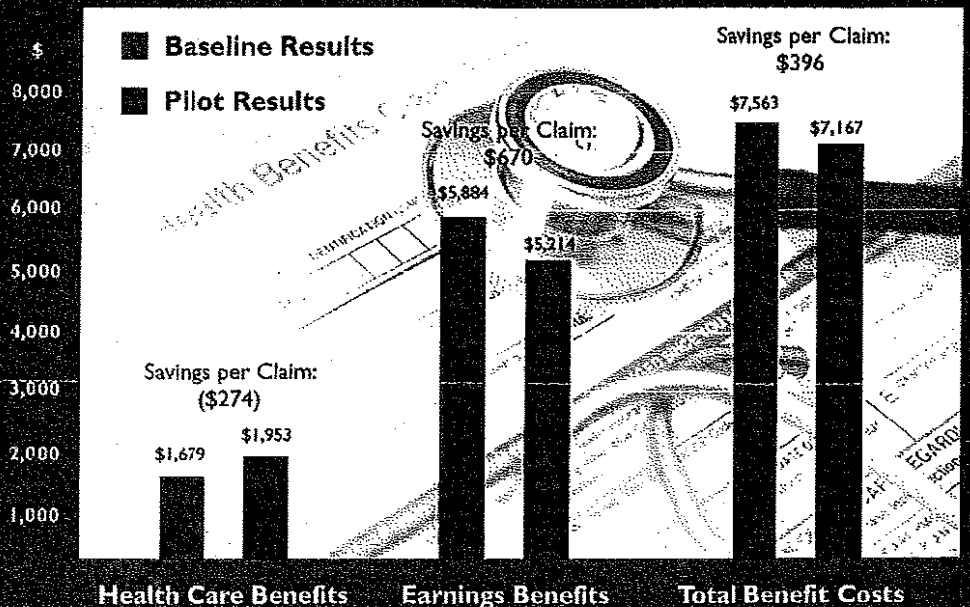
The early-intervention pilot required somewhat higher spending on health care benefits, but that was more than offset by reduced earnings benefit costs. If comparable improvements were achieved BC-wide the savings would be about \$2.3 million annually, and about 8,000 days per year of restored worker productivity.

### RETURN-TO-WORK DISTRIBUTION



Source: WorkSafeBC; Duration in Construction Initiatives

### BENEFIT COST SAVINGS



Source: WorkSafeBC; Duration in Construction Initiatives



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