

Association of Workers'  
Compensation Boards  
of Canada



# KSM Review

May 27, 2015

# Overview

- Dashboard/Overview Report
- Re-categorization
- KSM 25 (Percentage of Wage Loss Claims off Compensation) Time Intervals
- Healthcare Report

# Discontinued KSMs Recap

- In December 2014 it was decided that the following KSMs should be discontinued:

<i>KSMs to be Discontinued:</i>	
KSM 4.2	Current Year Benefit Costs Incurred for Self-Insured Employers
KSM 5.2	Benefit Payments for All Years Paid During the Year for Self-Insured Employers
KSM 7.2	Total Benefit Liabilities for Self-Insured Employers
KSM 26	Percentage of Lost-Time Claims Awarded Long-Term Wage-Loss Benefits
IR3	Benefit Liabilities Expressed as a Multiple of Benefit Payments made in the Year
IR3.1	(Health Care + Rehab) Benefit Liabilities as a Multiple of (Health Care + Rehab) Payments

# Dashboard Report

- It was decided in December 2014 that:
  - A high level report of ~8-10 KSMs should be created of “key” KSMs for general external users.
  - A revised version of the current list of all KSMs would remain as a supplement to this dashboard report.

# Dashboard Report

- A KSM Dashboard Report was drafted considering the following factors:
  - Usage statistics (AWCBC online usage and WCB usage)
  - Survey results criteria (relevance, comparability, produced by most)
  - Categories (dashboard should be a mix of KSMs from all categories)
  - If a national total existed
  - Common sense / reasonableness
- See draft KSM Dashboard for discussion.

# Key Statistical Measures Dashboard - 2013

## Claims / Injury Frequency

Claims / Injury Frequency	Canada	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT/NU
Fatalities	902	30	0	26	12	184	266	24	35	188	128	3	6
Lost Time Injury Frequency (per 100 workers)		1.78	1.22	1.92	1.13	1.82	0.95	3.12	2.57	1.34	2.29	1.87	
Lost Time Claims	241,933	3,769	890	6,083	3,872	67,687	54,430	15,024	10,519	28,132	50,209	419	899
Workforce Covered (%)		97.64	96.46	72.82	91.37	93.13	73.55	74.89	73.33	92.1	95.32	99.76	

## Severity / Return to Work

Severity / Return to Work	Canada	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT/NU
% of Wage Loss Claims off Compensation at X Days													
Duration (Average - Days)	U/A	114.76	91.8	98.73	69.83	103.61	N/A	51.61	50.93	58.43	75.9	32.04	36.36

## Financial

Financial	Canada	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT/NU
Percentage Funded	93.27	106.60	135.30	71.40	138.20	95.30	65.40	134.00	148.80	134.26	124.60	152.60	116.41
Market Rate of Return (%)	14.38	15.85	15.73	15.70	15.73	12.83	12.70	13.60	17.50	10.60	12.40	16.20	13.77
Administration Costs(\$000)	1594507	32365	7448	35320	25834	320328	596048	54832	50059	175941	268636	7165	20531

## Assessments

Assessments	Canada	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT/NU
Provisional Average Assessment Rate	1.93	2.75	1.97	2.65	1.44	2.08	2.46	1.50	1.58	1.12	1.63	2.34	2.05
Assessable Payroll (\$M)	547547.8	7568.9	1737.7	9627.3	8272.4	129000	170081.0	16360	18850.6	100980	81433.7	1089.6	2546.6

## Benefits

Benefits	Canada	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	YT	NT/NU
Current Year Benefit Costs (\$000)	5643274	88214	19497	171544	78560	1644228	1488660	143962	164692	768937	1039445	11998	23537

**Caueat:** Differences in population, industry mixes, coverage and legislation/policy may affect comparability between jurisdictions. These measures use standard [definitions](#) that may differ from WCB reports. Please contact the [WCB](#) directly with any inquiries about an individual jurisdiction.

# Dashboard Report

- Questions for CFO Committee:
  1. Are the KSMs in the draft KSM Dashboard the correct measures? If not, what measures should be added/deleted?
  2. Should footnotes be included in Dashboard?
  3. What changes should be made to caveat?
  4. What changes should be made to look/feel/format?
  5. What should dashboard report be called?  
What should detailed KSM report be called?

# Re-categorization

- When KSMs were placed under the categories decided in Dec, “Timeliness to Payment” no longer made sense to be its own category. These KSMs have been moved under the “Benefits” category.
- There are two options for ordering of categories in KSM reports:
  1. Based on AWCBC online usage
  2. Based on KSM Dashboard criteria



# Re-categorization

## Option 1: based on AWCBC online usage

Claims / Injury Frequency
• Claims
• Injury Frequency
• Fatalities
• Coverage
Severity / Return to Work
• Duration
• Return to Work
• Impairment
Financial
• Funding / Investment
• Admin Costs
• OH&S Costs
Assessments
• Assessment Rate
• Revenue
• Payroll
Benefits
• Benefit Costs
• Benefit Payments
• Benefit Liabilities

## Option 2: based on factors used to create dashboard

Claims / Injury Frequency
• Fatalities
• Injury Frequency
• Claims
• Coverage
Financial
• Funding / Investment
• Admin Costs
• OH&S Costs
Assessments
• Assessment Rate
• Payroll
• Revenue
Benefits
• Benefit Costs
• Benefit Liabilities
• Benefit Payments
Severity / Return to Work
• Return to Work
• Duration
• Impairment

# Re-categorization

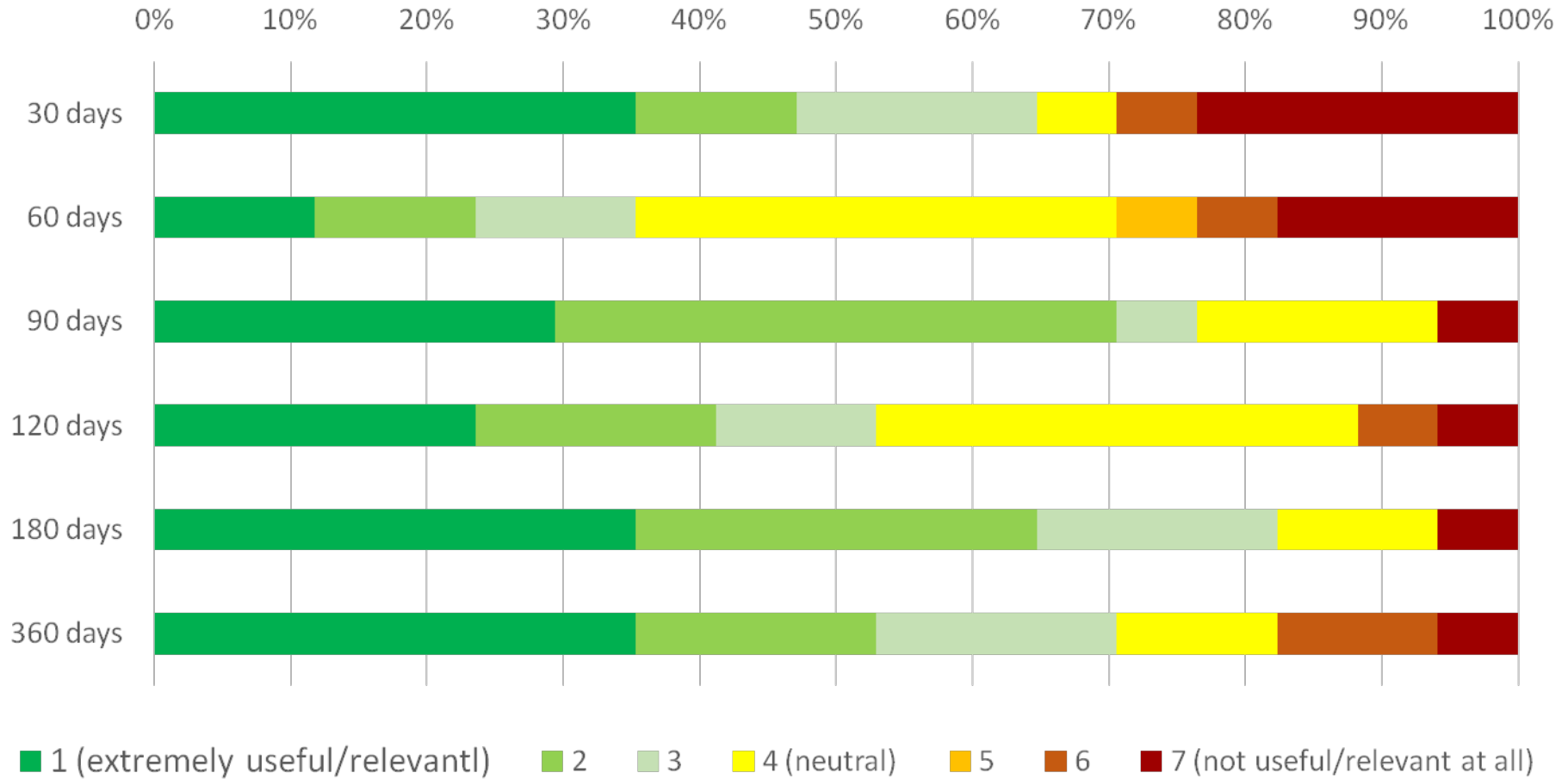
- Questions for CFO Committee:
  1. What should the ordering of categories and subcategories be?
  2. Should the same ordering be used for both the dashboard report and the comprehensive KSM report?

# KSM 25 Time Intervals

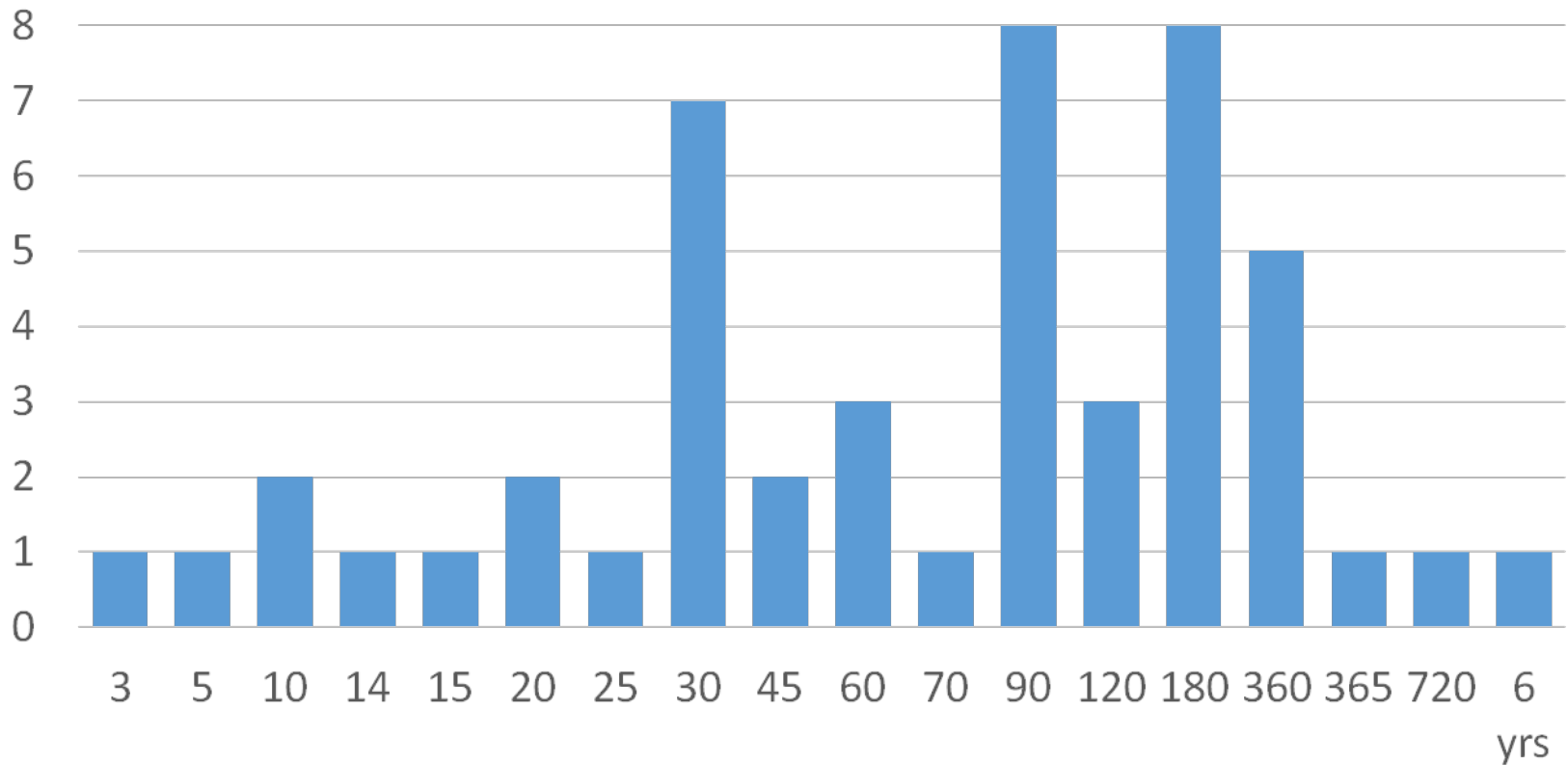
- It was decided in Dec 2014 that:
  - WCB staff should be consulted to determine the best time intervals for KSM 25 (% of Wage Loss Claims off Compensation at X days).
  - In the KSM Dashboard, only the best time interval(s) should be shown.
- Current time intervals are: 30, 60, 90, 120, 180 and 360 days.
- See KSM 25 Survey Results Summary for discussion.



# Usefulness/Relevance



# Recommended Time Intervals



Recommended Days for KSM 25

# KSM 25 Time Intervals

- Questions for CFO Committee:
  1. What time interval should be used in the KSM Dashboard report? (180? 90? Other?)
  2. What time intervals should be added/deleted/published? Keep current time intervals?
  3. Should KSM 25 time intervals be presented as a separate report, or as part of the detailed KSM report?



# Healthcare Report

- Currently 3 KSMs and 3 IRs are further broken down to show the portion of that KSM that is related to “Healthcare and Rehab”:
  - 4.1.1 Current Year Benefit Costs Incurred
  - 5.1.1 Benefit Payments for All Years
  - 7.1.1 Benefit Liabilities
  - IR2.1 HC+Rehab Current Yr Benefit Costs per 100\$ Payroll
  - IR7 HC+Rehab Payments as a % of Total Benefit Payments
  - IR8 HC+Rehab Liabilities as a % of Total Benefit Liabilities

# Healthcare Report

- It was decided in December 2014 that:
  - Financial statements should be consulted to determine how best to present Healthcare and Rehab KSMs, what categorizations are possible and what is the most appropriate wording to use.



## TERMINOLOGY OF BENEFIT TYPES CURRENTLY USED IN FINANCIAL STATEMENTS

	STD	LTD	SURVIVOR	HC	REHAB	ADMIN	OTHERS
NL	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Rehabilitation	Future Administration Cost	
PE	Temporary Wage-Loss	Pension and Extended Wage-Loss		Health Care	Rehabilitation	Administration	
NS	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Rehabilitation	Claims Administration	
NB	Short-Term Disability and Rehabilitation	Long-Term Benefits	Survivor Benefits	Health Care			
QC	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care and Rehabilitation		Administration	- Permanent Impairment - Safe Maternity Program
ON	Loss of Earnings		Survivor Benefits	Health Care	External Providers	Claims Administration	- Workers pensions - Non-Economic Loss
MB	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Rehabilitation Services		
SK	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	
AB	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Rehabilitation	Claims Management	
BC	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Claims Administration	
YT	Compensation		Pension	Medical Aid			- Annuity
NT/NU	Compensation	Future Capitalizations / Pension Awards		Medical Aid			

### Notes :

The columns and colour coding are an attempt to regroup benefit types that likely represent a similar set of benefits. However, no analysis has been made to determine the extent of this similarity. Hence, similar names may in fact represent different benefits while different names may represent similar benefits.

The grouping of benefit types in certain jurisdictions does not mean the detail is necessarily not available.

# DISTRIBUTION OF CLAIM COSTS BY BENEFIT TYPES

	STD	LTD	SURVIVOR	HC	REHAB	ADMIN	OTHERS
NL	29%	35%	2%	33%	1%		
PE	30%	32%		29%	3%	6%	
NS	18%	47%	4%	26%	0%	5%	
NB	32%	22%	0%	46%			
QC	35%	29%	1%	28%			7%
ON	46%		6%	23%	3%	19%	3%
MB	53%	9%	4%	31%	3%		
SK	33%	13%	5%	42%	2%	5%	
AB	20%	18%	4%	40%	5%	13%	
BC	22%	23%	2%	27%	7%	19%	
YT							
NT/NU							

# Healthcare Report

- Only Quebec, NWT and Yukon present HC & Rehab together in their financials.
- Can HC & Rehab be separated out?
  - Quebec – Uncertain at this point if separation could be provided.
  - NWT – Not feasible to split out; any estimate would require many assumptions.
  - Yukon - Actuary doesn't split out costs so would be added cost. Could split actuary's estimates on coding-based breakdown, but would be very crude measure of the split.

# Healthcare Report

- Questions for CFO Committee:
  1. Should there be a separate report that presents a distribution by benefit types?
  2. If yes,
    - a) What KSMs (4.1, 5.1 and 7.1)? What IRs (IR2, IR7, and IR8)?
    - b) What benefit types?
    - c) Presented as percentages?
  3. If no,
    - a) Should HC & Rehab KSMs and IRs be kept at all? (4.1.1, 5.1.1, 7.1.1, IR2.1, IR7, and IR8)

Thank you!  
Merci!