

# Recommendation to AWCBC Executive Committee

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## Committee

Financial and Statistical Data Comparability Committee

## Subject of Recommendation

Key Statistical Measures (KSMs) to be discontinued

## Background

### Key Statistical Measures (KSMs)

In 1991, AWCBC Heads of Delegations agreed that a common reporting system should be developed to assist in comparison of data across jurisdictions.

In 1996, a new Financial and Statistical Data Comparability Committee was given the responsibility of identifying KSMs, definitions, and outcome measures which are comparable and reported in a consistent manner across all jurisdictions.

One of the reasons for creating KSMs was to alleviate the burden of ad hoc requests from media/external stakeholders. Prior to KSMs, external requests would be made directly to WCBs (using WCB resources) and comparisons between jurisdictions would be made with little or no effort to ensure comparability.

To ensure that KSMs are as comparable as possible, each KSM adheres to agreed-upon definitions, so KSM values may differ from data published in individual WCB Annual Reports.

Currently, the AWCBC externally publishes:

- 25 KSMs (and components)
  - 4 of the KSMs are further broken down by Industry
- 8 Indicator Ratios (and components)
- KSM Definitions
- Preface Reports
- Breakdown of Assessment Rates

### Current KSM Review:

When KSMs started, there was no mechanism built in to discontinue obsolete KSMs.

In May 2013, a subcommittee was struck to:

- Optimize current list of KSMs.
- Explore potential for reduction of published KSMs.

In September 2013, a survey was sent out to gather information to facilitate the KSM Review. The survey focused on:

- Usage:
  - By WCBs
  - By public (based on AWCBC website usage statistics)
- Criteria:
  - Relevance of KSM
  - Comparability of KSM
  - Effort to produce KSM
  - Whether the KSM can be produced by most jurisdictions

Based on survey results, it was decided:

1. The Committee will review in detail all KSMs starting with KSMs identified as being least used, least relevant, least comparable, etc.
2. Every 5 years there will be a detailed survey of all KSMs (similar to 2013 survey).
3. At any time, if a jurisdiction has an issue with a particular KSM, they can request it be reviewed in detail by the Committee.

#### May 2014 Review (Phase 1)

The Committee reviewed the first set of KSMs (phase 1) at the May 2014 AWCBC All Committees Meeting. Based on this review, the Committee recommends the KSMs in the attached Recommendation no longer be externally published.

#### Fall 2014 Review (Phase 2)

The Committee plans to review the remaining KSMs (phase 2) by year end 2014. A separate recommendation to AWCBC Executive Committee will be made if there are any further KSMs that the Committee suggests be discontinued at that time.

## Recommendation

The Committee recommends the following external KSMs be discontinued based on jurisdictional feedback, limited usage and analysis of criteria such as comparability and relevance:

### Indicator Ratios:

IR2.1	(Health Care + Voc Rehab) Current Year Benefit Costs per 100\$ of Assessable Payroll
IR3	Benefit Liabilities Expressed as a Multiple of Benefit Payments made in the Year
IR3.1	(Health Care + Voc Rehab) Benefit Liabilities as a Multiple of (Health Care + Rehab) Payments
IR7	(Health Care + Voc Rehab) Payments as a Percentage of Total Benefit Payments
IR8	(Health Care + Voc Rehab) Liabilities as a Percentage of Total Benefit Liabilities

### Self-Insured KSMs:

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

### Other KSMs in bottom 10 of 2 or more categories in survey:

KSM 26	Percentage of Lost-Time Claims Awarded Long-Term Wage-Loss Benefits. NOTE: This KSM was originally approved for external publication but never published in light of KSM review
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The Committee recommends the following external KSM be made an internal KSM as this indicator ratio may be misleading to an uninformed user of data. The number of public requests for this data will be monitored to see if there is any impact of removing this measure.

### Indicator Ratios:

IR5	Current Year Average Benefit Cost per Lost-Time Claim
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