

**THE WORKERS' COMPENSATION BOARD
MEETING OF THE BOARD OF DIRECTORS
MINUTES**

DATE: January 30, 2019

PLACE: The Workers' Compensation Board
12th Floor Board Room
Jarvis Building
9925 - 107 Street
Edmonton, Alberta

TIME: 8:00 a.m.

BOARD MEMBERS

Grace Thostenson, Chair
Erna Ference, Member
William Hnydyk, Member
Philip Hughes, Member
Ivana Niblett, Member
Mary Phillips-Rickey, Member
Keith Serre, Member (teleconference)
Jane Sustrik, Member (teleconference)

Excused

Dave Rebbitt, Member

EXECUTIVE

Ron Helmhold, Acting President and Chief Executive Officer / Chief Financial Officer *
Wendy King, Chief Operating Officer *
Marcela Matthew, Vice President, Worker Health & Wellness *
William P. Ostapek, Secretary and General Counsel *
Roxy Shulha-McKay, Vice President, Employee & Corporate Services **

Excused

Guy Kerr, President and Chief Executive Officer

ALSO PRESENT

Leslie Henkel, Board of Directors' Secretariat*

* excused for items 9.4 and 12

** excused for item 12

Board of Directors

The Chair called the meeting to order at 8:00 a.m.

1.1 **Agenda**

The agenda as distributed was approved.

1.2 **Proposed Motions**

The list of proposed motions was received for information.

2.1 **Minutes of the Meeting of November 27, 2018**

MOTION

2019/02/02

It was moved that,

"The minutes of the meeting of November 27, 2018 be approved."

CARRIED

2.2 **Minutes of the Meeting of January 14, 2019**

MOTION

2019/02/03

It was moved that,

"The minutes of the meeting of January 14, 2019 be approved."

CARRIED

3. **Business Arising from the Minutes of November 27, 2018**

There was no business arising from the minutes of the November 27, 2018 meeting.

4. **Report of the Chair**

The Chair noted that the President and CEO will commence employment on March 18, 2019. She advised that she will be meeting with the Minister of Labour in the following week.

5. **Report of the President**

The executive members provided updates on various items.

5.1 **2019 Meeting Schedule**

MOTION

2018/02/04

It was moved that,

"The 2019 Board of Directors' meeting schedule be approved as amended."

CARRIED

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COMMITTEE REPORTS**6. Policy Committee**

The committee chair provided a report on the committee's recent meeting.

6.1 2018 Policy Plan Final Update

The topic summary and attachment were received for information.

6.2 Policy 04-02, Part II, Addendum A, Allowance Rates

The WCB reviews the allowance rates for travel, subsistence (meals), and accommodation annually. Strategic Management Council approved a change to the private residence accommodation rate in Policy 04-02, Part II, Addendum A, *Allowance Rates*, with an effective date of March 1, 2019.

6.3 Policy 01-07, Parts I and II, Application 1, and G-2, The Review and Appeal Process

Section 3.1 of the *Workers' Compensation Act* established the Fair Practices Office. Effective December 1, 2018, responsibility for the Office of the Appeals Advisor was moved from the WCB to the Fair Practices Office within the Government of Alberta. The following changes were necessary to reflect the transfer in responsibility and to accommodate the legislative changes:

- Policy 01-07, Part I and Part II, Application 1, was rescinded. These documents dealt with the mandate of the Office of the Appeals Advisor as it existed within the WCB.
- General Information document G-2, *The Review and Appeal Process*, was revised to remove the references to the Office of the Appeals Advisor in Questions 5 and 8. Information for injured workers and employers on the Fair Practices Office has been included in Question 5 and contact information for the Fair Practices Office has been included in Question 8.

7. Audit Committee

The committee had nothing to report.

8. Finance Committee

The committee chair provided a report on the committee's recent meeting.

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8.1 **Financial Status Report**

The Financial Status Report was received for information.

8.2 **Summary of Financial Statements**

The Summary of Financial Statements was received for information.

9. **Human Resource and Governance Committee**

The committee chair provided a report on the committee's recent meeting.

9.1 **Best Practice Review and Scan Schedules for Board Committees**

The Working Together review report recommended that WCB enhance its policy development process via the creation of a Secretariat. The goal of the Secretariat is to provide support to the Board in gathering independent data, best practice research or expertise to support their deliberations in policy creation.

To ensure all committees take full advantage of the resources of the Secretariat and fulfill the commitments made in their terms of reference for regularly reviewing best practice information, a schedule of best practice reviews and scans for each of the committees has been created.

The Secretariat will support each committee chair and executive lead in ensuring these best practice reviews and scans are complete. The Secretariat will report back to the Human Resource and Governance Committee each January.

9.2 **2018 Balanced Scorecard – Results**

The WCB achieved strong results for 2018 during a year of change and continued economic challenges for Alberta. The two biggest external factors continued to be the sluggish economy and the implementation of the requirements of *Bill 30, An Act to Protect the Health and Well Being of Working Albertans*. The focus in 2018 was to improve the workers' compensation system to demonstrate a clear balance between managing claims effectively and ensuring a central emphasis on the health and well-being of workers. A more effective worker-centric focus within the organization was created and stakeholders were engaged in the consultation process to enhance trust in the system.

Although continued economic challenges had an impact, all of the corporate objectives were achieved, with the exception of the operating result target.

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- A soft job market led to limited return-to-work options available for injured workers faced with ongoing work restrictions, which contributed to lower earnings potential and higher wage loss for workers despite significant vocational rehabilitation services and support. The sectors in which they would traditionally return to work were not the sectors showing economic growth, thus limiting their earnings potential somewhat as compared to what they may have earned in better economic times.
- Claim volumes increased meaningfully in 2018 for both new and reopen claims. Higher volume coupled with the aforementioned return-to-work challenges put upward pressure on claim benefit costs which exceeded expectations.
- Suppressed and volatile oil prices, coupled with pipeline constraints, resulted in another year of slower than expected growth in employment and assessable earnings. This continued to impact the large construction and oilfield sectors and led to lower than expected premium revenue. As claim costs continued to rise, premium revenues stalled and were not sufficient to cover the fully funded cost of 2018 injuries.

The effort involved to implement all Bill 30 requirements included:

- 14 key policy changes affecting worker benefit provisions,
- 7 additional policy changes having operational impacts, and
- 7 consultation sessions held with key stakeholders.

MOTION
2019/02/05

It was moved that,

"The Board of Directors approve the 2018 balanced scorecard results as confirmation of the organization's achievement of annual corporate objectives."

CARRIED

9.3 **2019 Strategy Map and Objectives**

Setting meaningful objectives for the organization is pivotal to its ability to continue to move forward and deliver on the expectations of stakeholders. In order to ensure the organization is clearly focused on leading the way in providing worker-centric health care and employing a client-centric approach throughout the organization, significant changes had been made to the WCB's approach in measuring the success of the organization.

The WCB has moved to a more focused and strategic document demonstrating how the vision and pillars of success will be realized within the context of the changing landscape that the WCB works in. This approach gives a clear picture to stakeholders and staff of the WCB's priorities, how they will be achieved, their involvement and how success is measured.

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Oversight of operational measures remains critical. The monitoring of key metrics in areas like customer service, issue resolution, finance, decision correctness, etc. are foundational to the WCB's success and must be shared with the Board of Directors and stakeholders. To that end, foundational measures – the metrics that ensure the day-to-day operations of the organization stay on track – have been moved to a monitoring report that will become the basis of team scorecards throughout the organization. This will also focus variance reporting on metrics outside of acceptable ranges versus reviewing pages of reporting.

The new strategy map puts the WCB's commitment to stakeholders on one page. It simplifies discussion and leaves no room for confusion on the focus of the corporation. The key elements of the map include the WCB's vision and mission statements, updated core pillars and the core elements of the landscape the WCB works within.

MOTION
2019/02/06

It was moved that,

"The Board of Directors approve the 2019 objectives."

CARRIED

The Chair excused senior management, with the exception of the Vice President, Employee and Corporate Services, from the meeting for item 9.4.

9.4 **2018 Annual Board Evaluation**

As part of the Board of Directors' ongoing commitment to effective governance, the annual evaluation of board performance has been completed. The board evaluation was sent to each board member in December with an electronic link to complete the survey anonymously. The results show that the Board of Directors is operating effectively within its governance mandate.

10. **New Business**

There was no new business.

11. **Meeting Evaluation**

The members completed the meeting effectiveness self-assessment form.

12. **In Camera**

The Board of Directors held an *in camera* session.

There being no further business, the meeting ended at 11:00 a.m.