

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

**DATE:** January 28, 2020

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

**TIME:** 8:00 a.m.

**BOARD MEMBERS**

Erna Ference, Chair  
William Hnydyk, Member  
Philip Hughes, Member  
Ivana Niblett, Member  
Mary Phillips-Rickey, Member  
Jane Sustrik, Member

**EXECUTIVE**

Trevor Alexander, President & Chief Executive Officer \*\*  
Ron Helmhold, Chief Financial Officer \*  
Wendy King, Senior Vice President, Operations & Innovation \*  
Marcela Matthew, Vice President, Millard Health & Special Care Services \*  
William P. Ostapek, Secretary and General Counsel \*  
Roxy Shulha-McKay, Vice President, Employee & Corporate Services ♦

**ALSO PRESENT**

Leslie Henkel, Board of Directors Secretariat \*

♦ excused for item 12

\* excused for items 9.3 and 12

\*\* excused for item 12 (part 2)

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**Board of Directors**

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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 26, 2019**

**MOTION**

2020/01/01

It was moved that,

"The minutes of the meeting of November 26, 2019 be approved."

CARRIED

2.2 **2020 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

3. **Business Arising from the Minutes of November 26, 2019**

There was no business arising from the minutes of the November 26, 2019 meeting.

4. **Report of the Chair**

The Chair reported on:

- a review of the 2019 WCB activities, and
- issues raised by the Industry Task Force.

5. **Report of the President**

The President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- stakeholder engagement and legislative relations,
- legislation and panel implementation, and
- risk profile and emerging issues.

**COMMITTEE REPORTS**

6. **Policy Committee**

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

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**Board of Directors**

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**6.1 Phase Two – Review of Employer Accounts and Premium Policies**

A comprehensive review of all employer account related policies began in 2019. Phase I of the review suggested areas for modernizing the policy and asked for stakeholder feedback on changes they felt would make the system more efficient and effective. Based on that stakeholder feedback and our best practice review, four substantive changes were proposed to stakeholders in September 2019:

1. Adding a *business test* to policy to determine an individual's status as either a worker or business owner
2. Including *dividends as earnings for personal coverage holders* when they are a reflection of remuneration paid for work performed in the company
3. Easing the administrative burden when *splitting and extending personal coverage*
4. Including a provision in policy around classifying *businesses providing support services to an industry*.

Splitting and extending personal coverage and considering dividends as earnings are the two policy changes that have the most direct impact on services for employers. They result in enhanced coverage options and simplify processes for employers. Feedback from stakeholders almost universally supported the proposals.

**Dividends as earnings for personal coverage holders**

WCB currently does not include dividends as earnings for personal coverage holders. The policy change in draft Policy 06-02, Part II, Application 2 includes dividends as earnings when they are a reflection of remuneration paid for work performed in the company (in lieu of salary). Dividends will not be considered earnings when they are a general allocation of the company's undistributed profits to shareholders. A cross-reference to the change has been added to draft Policy 04-01, Part II, Application 2.

Employers make choices on how to draw income out of their business for tax purposes, especially those who are shareholders/directors, which covers many of our small personal coverage accounts. Personal coverage holders will be able to purchase coverage that is more reflective of their actual earnings that will also be relatively straightforward to substantiate. They can be more confident of the benefits they will be eligible for when they purchase coverage and may not require any further supplemental insurance for the purposes of covering their dividend income.

**The proposed change is cost neutral.**

**Splitting and extending personal coverage**

When personal coverage is in effect, it only covers the individual while working in the industry or industries for which it was approved. Currently, individuals who are active in more than one industry can split their personal coverage between industries. This can lead to one individual holding multiple separate personal coverage accounts. Under our current policy, this can be a cumbersome exercise to ensure coverage is split properly. Under draft Policy 06-02, Part II, Application 2, Question 6, personal coverage holders with multiple accounts or industries will now have two options:

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**Board of Directors**

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1. Status quo – The individual can split their personal coverage between industries, based on the percentage of working time spent in each.
2. Simplified coverage – The individual can easily elect to extend their personal coverage to any or all of their operations through one application on one account. If this option is chosen, the personal coverage premium will be assessed using the industry where the majority of their operation's work is undertaken. If that industry cannot be determined, premiums will be assessed at the highest rated industry in which the individual operates.

The change in draft Policy 06-02, Part II, Application 2, Question 6 should ease the administrative burden for individuals who would like to extend personal coverage across multiple operations under one account. It simplifies coverage for personal coverage holders and reduces red tape. Personal coverage holders who wish to extend their coverage will not be required to establish arbitrary splits between all their operations and will still be able to maintain full coverage and protection from liability. For individuals who prefer to split their coverage, this option is still available.

**The proposed change is cost neutral.**

**MOTION**  
2020/01/02

It was moved that,

"The Board of Directors approve the draft policy applications:

- Policy 06-02, Part II, Application 2
- Policy 06-03, Part II, Application 4
- Policy 04-01, Part II, Application 2

**Effective Date:** April 1, 2020."

CARRIED

6.2 **2019 Policy Project Plan Final Update**

The final update on the 2019 Policy Project Plan was received for information.

6.3 **2020 Policy Project Plan**

The Policy Committee approved the 2020 Policy Project Plan for publishing on WCB's website, as well as the verbatim responses received during the consultation.

The 2020 Policy Project Plan is focused on meeting the needs of the upcoming Government of Alberta legislative review and on completing work that was started in 2019 or, in the case of the Experience Rating and other Pricing Adjustments Policy Review, was committed to in 2019.

7. **Audit Committee**

The committee had nothing to report.

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## Board of Directors

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### 8. **Finance Committee**

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

#### 8.1 **Monthly Financial Reports December 2019 (Preliminary)**

The Board of Directors received the December 2019 (preliminary) financial reports for information.

### 9. **Human Resource and Governance Committee**

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

#### 9.1 **2019 Strategy Map and Objectives - Results**

2019 marked the first year of our new Strategic Plan, which focuses on WCB's commitment to a positive, efficient and effective experience for workers and employers. WCB's objectives were created in support of the key strategic themes:

1. Sharing the same vision of recovery and return to work with injured workers, employers and our health care partners.
2. Working with stakeholders, experts and health care partners, identify and implement best practices to address the growing incidence of psychological injury.
3. Building capacity through partnerships to help workers with physically appropriate and economically sustainable options as technological change escalates and the labour market shifts.
4. Investing in technology, predictive analytics and machine learning to achieve greater efficiency and further success in assisting more injured workers to successfully return to work and life.

Great work has been done over the past year to improve service, engagement and outcomes despite a very challenging economy.

2019 was a successful but challenging year. Despite these challenges, we met the majority of key objectives in the first year of our Strategic Plan. Specifically, WCB:

- Developed meaningful partnerships with employer associations, which contributed to an increase in the number of training-on-the-job opportunities that were approved for workers with permanent disability.
- Increased the number of viable job leads for workers who were not able, because of their injuries, to return to the jobs they held before they were hurt.
- Significantly reduced wait time for psychological services for injured workers.
- Achieved high satisfaction from workers with the medical treatment they received through their claim.
- Implemented new triage rules to keep low-complexity lost-time claims on our processing team, which meant fewer claims were assigned to adjudicators.
- Rewrote and published worker procedures on our website for the first time.

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## Board of Directors

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- Deployed a first-of-its-kind in Canada worker mobile app, receiving great feedback from clients, and began development of an employer app for release in 2020.
- Provided training to community psychologists about WCB and the concept of recovery while working.
- Developed a new research evaluation process for confirming injury causation.
- Made great progress on improved data sharing with Occupational Health and Safety (OH&S).

In summary, 2019 was a busy and successful year. We met key objectives in the first year of our Strategic Plan and the organization is well-positioned to continue to make improvements in 2020.

**MOTION**  
2020/01/03

It was moved that,

"The Board of Directors approve the 2019 Strategy Map and Objective results as confirmation of the organization's achievement of annual corporate objectives."

CARRIED

### 9.2 2020 Strategy Map and Objectives

Setting meaningful objectives for the organization is pivotal to WCB's ability to continue to move forward and deliver on the expectations of stakeholders and of WCB's five-year strategic plan.

To be successful, we must have a mix of projects and success metrics that balance our commitment to finding innovative approaches for workers who were not successful on their return-to-work journey with finding ways to optimize processes that are working for the vast majority of clients we serve. We will:

- Continue our efforts to develop collaborative care plans with workers and employers.
- Take the opportunity to increase successful outcomes for workers who need help moving to a new career or new way of living.
- Provide employers, workers, health care providers and staff with better tools and information to assist them in preventing disability and helping workers recover and return to work.
- Continue to invest in technology. Our strategy relies on having the tools we need to successfully deliver on each of our success measures.

In summary, WCB's approach to objective setting puts fairness, transparency, efficiency and engagement at its core. Not only will this ensure employees are clear on what will be changing to ensure we deliver positive customer outcomes that uphold our unconditional commitment to fairness—but we will make a clear statement to stakeholders of our willingness to change and evolve into the organization they want and deserve.

**MOTION**  
2020/01/04

It was moved that,

"The Board of Directors approve the 2020 Strategy Map and Objectives."

CARRIED

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**Board of Directors**

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The Chair excused senior management, with the exception of the President and Vice President, Employee and Corporate Services, from the meeting for item 9.3.

**9.3 2019 Annual Board Evaluation Results**

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 November 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 were asked to complete the meeting effectiveness self-assessment form.

**12. In Camera**

The Board of Directors held an *in camera* session in two parts. During the first part, all of senior management except the President were not present. During the second part, the President was also not present.

There being no further business, the meeting ended at 10:40 a.m.