

1-1-1997

## Vocational Rehabilitation: Policy and Practice at the WCB of British Columbia: Final Report

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VOCATIONAL REHABILITATION:  
*Policy and Practice at the WCB of British Columbia*

Final Report

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Submitted to Workers' Compensation Board of British Columbia

July 7, 1997

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## I. INTRODUCTION

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### Background

In December, 1995, the W. E. Upjohn Institute for Employment Research completed and submitted to the Panel of Administrators our final report entitled *Workers' Compensation in British Columbia: Still in Transition*. This was our third study of the British Columbia workers' compensation system, the first having occurred in 1991 and the second in 1992.<sup>1</sup> Our 1995 report included a broad assessment of the structure and performance of the Compensation Services Division of the WCB of British Columbia. A particular focus was the Vocational Rehabilitation Services (VRS) Department within the Compensation Services Division. This reflected the critical importance of vocational rehabilitation services in determining the adequacy of employment outcomes for seriously injured workers in British Columbia. It also reflected controversies over the appropriate level of vocational rehabilitation services and the optimal methods for their delivery, in British Columbia and all across North America.

Our assessment, both in 1991 and in 1995, was that the structure within which vocational rehabilitation services were being delivered at the WCB of British Columbia was playing a critical role in determining the outcomes which were obtained. We also noted that the repeated changes in vocational rehabilitation structure and policy had confused and demoralized the staff, and contributed to problems in organizational effectiveness. Then, while the Upjohn Institute team was in the field, vocational rehabilitation services were reorganized once again, in June of 1995. Of course, the administrative inventory was not able to evaluate the effectiveness of this reorganization because of the coincident timing. However, at the time of the 1995 administrative inventory, we found some very serious problems in vocational rehabilitation services in terms of inconsistency of practice among Vocational Rehabilitation Consultants (VRCs), lack of appropriate management controls, and virtually no staff

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<sup>1</sup>See *Workers' Compensation in British Columbia: An Administrative Inventory at a Time of Transition* (1991) and *Workers' Compensation Board of British Columbia: Assessment Department Administrative Inventory* (1992).

development activities.

In 1993, the WCB had adopted a “blended” staffing plan for the Service Delivery Locations (SDL), which involved abolishing the formal structure of the Vocational Rehabilitation Services Department in favor of a matrix management model. This model provided a unified command structure for the SDLs, but left the Vocational Rehabilitation Consultants without any technical management support for their very highly specialized functions. Further, this was done shortly after a very dramatic expansion in staffing levels (expanding from 56 VRCs in 1989 to 87 in 1993, with 12 positions added in 1990 and 13 positions in 1991). In addition, because there was no graduate degree program available in British Columbia in rehabilitation counseling, it meant that some of the new VRCs simply were not equipped to operate independently in the field, as the matrix management plan required.

This led us to recommend a number of specific changes in structure and practice, which will be reviewed in detail in section IV below. The most important was restoring an appropriate level of clinical supervision, in order to implement WCB expectations of standards of practice among Vocational Rehabilitation Consultants. At that time, we also noted with approval that the Vocational Rehabilitation Services Department had been reconstituted in 1995 and there was promise that the critical issues, such as the lack of management control, inconsistency of practice and deficient staff development among the VRCs, were going to be attacked. Accordingly, we were delighted to be contacted by the WCB late in 1996 and asked if we would be willing to return to review current vocational rehabilitation policy and practice issues.

#### Changes in Policy or Practice?

The WCB has always drawn a major distinction between policy and practice. This became even more crucial with the implementation of the new governance structure in 1991. The reason for this is that “policy” changes need to be approved by the governing structure (or legislative enactment), while “practice” changes are under the control of the management of the WCB. So, in effect, the WCB uses the “practice or policy” differentiation as a kind of “management prerogatives” clause. If a given change constitutes a change in practice, the



management of the WCB has the legal authority to make that change. If it is a change in policy, the management of the WCB does not have such authority.

Without question, such distinctions are useful (indeed, they are vital) to managing an organization with a mission as complex as that of the WCB. However, such a mechanism also creates the opportunity for a possible abuse of managerial prerogatives when there is no adequate system of external checks and balances to review the decisions of the administrators. In the opinion of some labour leaders and worker advocates in British Columbia, that is exactly what has happened with some recent changes in vocational rehabilitation policy/practice.

Controversy has developed over whether the WCB has changed its policies regarding vocational rehabilitation, particularly since the Panel of Administrators took governance responsibility in 1995. (See O'Callaghan and Korbin, 1995, for an account of the governance issues.) Some labour and worker advocacy groups maintain that the stated policies of the WCB are not being implemented in the same way, or with the same degree of commitment, as they were at some earlier time. Others go farther to insist that some policies have been effectively changed under the aggressive use of the policy or practice distinction. We heard these statements expressed with considerable passion by some, and supported with careful analysis by other observers. Suffice it to say, we found that perceptions of vocational rehabilitation policy and practice were very diverse in the external stakeholder community. It is obviously important to resolve these questions to maintain or restore community confidence in vocational rehabilitation at the WCB. However, the Terms of Reference for this study only touch on these disputed issues in a tangential way.

#### Terms of Reference

The Terms of Reference called for a follow-up study to be carried out by the W. E. Upjohn Institute for Employment Research with respect to the structure and performance of the Vocational Rehabilitation Services Department of the WCB of British Columbia. There are three main objectives to this follow-up study:

- A. To determine whether the structural changes to the Vocational Rehabilitation Services Department have addressed the organizational

- problems identified in the Upjohn Institute administrative inventory in 1995;
- B. To assess the extent to which official WCB policies on vocational rehabilitation are currently being carried out by the Vocational Rehabilitation Services Department;
- C. To measure the progress of vocational rehabilitation services against the relevant attention points of the 1995 administrative inventory.

Thus, the study probes the implementation of WCB policies on vocational rehabilitation, with a special focus on developments since completion of our Administrative Inventory of 1995.

Because of the policy/practice disputes mentioned above, it is important to emphasize that this study does not make any judgment as to whether the policies followed by the WCB are optimal. That is a task for the Panel of Administrators, the Royal Commission, or the Legislative Assembly.

#### Process

The Principal Investigators (H. Allan Hunt, Ph.D. and Michael J. Leahy, Ph.D.) returned to British Columbia in March of 1997 to study vocational rehabilitation services structure, policy implementation, practice, and performance. Approximately nine days of interviews were conducted with WCB staff and management, injured workers and their representatives, business stakeholders, labour stakeholders, the external vocational rehabilitation community, and injured worker advocacy groups. The list of individuals interviewed is presented in Table A-1 at the end of this report.

Before conducting interviews in British Columbia, the investigators reviewed the written record, including the following:

1. All WCB policy and procedural documents relevant to vocational rehabilitation services issued since June of 1995;
2. All policy and procedural documents created by or on behalf of the Vocational Rehabilitation Services Department administration since June of 1995;
3. Vocational rehabilitation process and outcome data from June 1995 to date.

In addition, the Upjohn Institute also conducted independent reviews of a small sample

of individual case files drawn at random from the active case population for the purpose of reviewing the case management process for consistency of practice with stated policy. While technical requirements prevented us from drawing the sample ourselves, we have no reason to suspect that the cases we reviewed were pre-screened in any way by the WCB.

Last, in the familiar administrative inventory procedure, the Draft Final Report was circulated to a representative sub-sample of the individuals we interviewed for comment and critique. This serves the purpose of correcting any mistaken impressions, and confirming the accuracy of our description of the system. As always, we are deeply indebted to all the individuals who took the time to talk with us, share their opinions, and confide their hopes and fears for vocational rehabilitation in British Columbia. We have absorbed what each of them has told us, and weighed it against other available evidence, and our own knowledge and experience. The results are presented in this report and will speak for themselves.

#### Disclaimer

Finally, it needs to be reiterated that the scope of this effort is limited to a review of the issues raised above. This is not an administrative inventory, but is confined to an update on the critical vocational rehabilitation issues. As such, this Draft Final Report does not contain the usual full descriptive detail. It consists of a brief description of changes since June 95 in the structure and performance of the Vocational Rehabilitation Services Department and an assessment of the three project objectives stated above.

For the benefit of the reader who is not intimately familiar with the British Columbia workers' compensation system, we provide a statistical overview of the WCB based upon data collected for the 1995 administrative inventory and updated, as necessary, for this report. The overview provides perspectives on recent administrative and financial changes at the WCB and contains a description of the most relevant operations of the Vocational Rehabilitation Services Department. We understand very well that some of the issues discussed in this report are extremely controversial. We submit our independent perspective on these issues with the hope that our comments can focus some much needed light on these problems, to accompany the heat that has been generated to date.

## II. STATISTICAL OVERVIEW

## II. STATISTICAL OVERVIEW

While the short-term nature of this review prevented accumulating a definitive database for vocational rehabilitation services, as is the practice with an administrative inventory, there are some data that help to “set the scene” for the vocational rehabilitation activity at the WCB. In particular, the trends in claims, in permanent pension awards, in timeliness of initial payment, and in general WCB expenditure levels and status of the Accident Fund will assist in understanding the environment within which the Rehabilitation Services Department has been operating during the past two years. To provide some continuity with the administrative inventories, and some sense of history at the WCB, we will report general results for the past decade or more, where they exist. However, the focus of our analysis is on developments since the middle of 1995.

### WCB Caseload and Processing

Figure 2.1 shows that the number of wage loss claims first paid by the WCB hovered around 80,000 from 1991 through 1994. After peaking at 87,147 claims in 1990, the trend was flat until the last two years. The figure demonstrates that the recent decline has been very significant; with initial wage loss claims declining by 3.8 percent in 1995, and 6.3 percent in 1996 to an aggregate of only 73,480 claims. This is nearly 16 percent fewer claims than in the peak year of 1990. Preliminary statistics indicate a further 1.5 percent decline for the first two months of 1997, compared to the same period last year. Thus, the underlying number of wage loss claims at the WCB is declining; as is generally true throughout North America.

The same is not true, however, of the number of long-term (or permanent) disability claims. Figure 2.2 shows that the number of long-term disability claims first paid has expanded since 1985, with only a slight dip in the early 90's. In fact, the number of long-term disability claims has increased by 36 percent since 1991. Since these injuries and illnesses are the most severe, and the claims are the most expensive at the WCB, this has been cause for concern on both humanitarian and financial grounds.

British Columbia employs a “dual” approach to benefits for permanent partial disability.<sup>2</sup> A claimant receives benefits based on an assessment of either the degree of impairment, called a permanent functional impairment, or the loss of earning capacity. A worker’s pension benefit is based on the alternative that provides the larger award. Permanent disability awards are the responsibility of the Disability Awards Department within the Compensation Services Division. As soon as it becomes evident that a permanent disability is likely to result from a claim, the file is forwarded to that unit for purposes of setting the worker’s average earnings level. The realization that a permanent disability will likely result is generally based on reports from the attending physician, from the Claims Adjudicator or the WCB Medical Advisor.

Until the worker’s condition “plateaus,” the claim is supervised by a Claims Adjudicator in a regular service delivery location or an area office. When the temporary benefits are terminated, the file is sent to Disability Awards and the worker is examined there by a Disability Awards Medical Advisor (DAMA). Since there may be a gap of several months from the time that temporary disability benefits are terminated and permanent partial disability benefits begin, those workers who are not reemployed may find themselves temporarily without income.

In some cases, the WCB will allow a worker to continue to receive income replacement benefits until the permanent disability benefits begin to be paid. This practice, known as continuity of earnings, or “Code R,” is utilized when there is significant permanent functional impairment and where it is likely that there will be a continuing loss of earnings based on the impairment. These payments are intended to be recaptured when the pension is finalized. The Vocational Rehabilitation Consultant is the source of the recommendation that continuity of earnings benefits be paid. As we shall see in the next section of the Report, the frequency and amount of such payments have become very controversial.

As indicated earlier, the worker’s benefit in a long-term disability claim is based on either the degree of impairment or on the loss of earning capacity, whichever is higher.

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<sup>2</sup>See Hunt, Barth, and Leahy (1996), pp. 104-114 for more detail.

Initially, the procedure is the same, since an impairment rating must be made first. This rating determines the worker's functional impairment (FI) pension level. Then, the Vocational Rehabilitation Consultant prepares an employability assessment (EA). It will describe the person's work history, the training and education that the worker has received, and any work activity since the injury. In addition, the consultant is expected to identify two or three jobs that the worker could perform, and that are "reasonably available" in the relevant labour market, as well as the pay rates for these jobs at the time of the injury. The consultant will send a copy of this report to the worker at the same time that it is forwarded to the Claims Adjudicator Disability Awards.

The Claims Adjudicator Disability Awards then makes a recommendation to a three-person Disability Awards Committee, made up of a manager from the Disability Awards Department, a senior Disability Awards Medical Advisor, and a Vocational Rehabilitation Manager. It is this committee that has the responsibility to determine the size of any permanent earning loss benefit, or loss of earnings (LOE) pension, that will be paid. If the LOE pension level is greater than the FI pension level, as is usually the case, the worker receives the higher LOE pension benefit. Otherwise, the FI pension level is paid.

The Vocational Rehabilitation Consultant's recommendations can have an enormous impact on the economic outcome of the claim. In practice there are two techniques that are utilized to estimate earnings loss. First, if the worker has returned to work after the injury stabilizes, the rehabilitation consultant would likely use the worker's actual earnings as the basis for judging any long-term projected earnings loss due to the injury or illness. Alternatively, the consultant may ask, what type of employment is this worker capable of performing? The answer may be based on the expected competence of the worker after having completed a training or education program that the consultant believes will allow the worker's potential to be maximized. Such a job opportunity can then be "deemed" and treated as if it were an accomplished fact.

Deeming is a very controversial practice, fraught with great difficulty for the interests of the injured worker. It has developed in many workers' compensation jurisdictions in North America as an administrative convenience; to make it possible to arrive at a "final" decision on

the permanent pension level.<sup>3</sup> However, as we suggested in our 1995 Administrative Inventory:

While there is certainly a legitimate need for such a procedure in cases of last resort, significant potential exists for overuse of the “deeming process” in situations where the policy focus is on developing employability rather than actual placement (particularly in absence of clear standards and expectations). p. 150.

In British Columbia, it is strongly asserted by the Workers’ Advisers Office and other worker advocates that there has been a significant increase in the incidence of deeming since 1994. In fact, it is maintained that “deeming has increased by an alarming 44% with a projected reduction in loss of earnings pensions paid to permanently disabled workers of approximately \$20 million a year.”<sup>4</sup> Further, the major complaint is with the “reasonable availability” of the deemed jobs, although there are problems with their suitability for the particular injured worker as well.

According to the Workers’ Advisers Office:

In our view, although deeming may be appropriate in some circumstances, it should not become a substitute for focused rehabilitation intervention, which assists workers to effectively compete for available jobs in the local job market, and realistically assess earning capacity in terms of suitable and available jobs. (ibid.)

The WCB response was contained in a letter which stated, in part:

Having considered the analysis that you have provided I cannot support your conclusion that the process of deeming in Disability Awards is out of hand. In my view, I feel the situation of deeming is being managed and there are quality controls and check points in place to ensure that mistakes are not being made and deeming is not being abused.<sup>5</sup>

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<sup>3</sup>However, note that there are contemporary movements to restrict the use of deeming in Saskatchewan and the Yukon.

<sup>4</sup>Letter from Blake Williams, Director of the Workers’ Advisers Office to Rob Ingraham, Director of Disability Awards at the WCB (January 8, 1997).

<sup>5</sup>Letter from Rob Ingraham to Blake Williams (February 10, 1997).



Ingraham goes on to explain that the changes in the number of deemed cases largely reflects the facts that, “Over the past two years we have made efforts to reduce the number of outstanding employability assessments and improved upon our return-to-work statistics. In addition the number of employability assessments completed has increased significantly.”

Since the role of the Vocational Rehabilitation Consultant is critical to the setting of the loss of earnings pensions at the WCB, this issue constitutes one of the major complaints of the labour community with the performance of the Vocational Rehabilitation Services Department. It should also be recognized that the Claims Adjudicator Disability Awards need not accept the VRC's recommendation in the employability assessment report, but retains final decision authority. Indeed, in some instances, the consultant will be asked by the CADA to reconsider or redo his/her report in light of changed circumstances.

The output from the administrative pension award process is represented in Figure 2.3, which indicates that the number of permanent disability pension awards expanded rapidly in most years since the mid 1980s, reaching a plateau in the mid 1990s.<sup>6</sup> This is true of both functional impairment awards and loss of earnings pension awards. The number has declined since 1993 slightly among LOE awards, but seems to be growing again since 1995. Functional awards, which generally are much less costly, continue to expand but at a slightly slower rate.

These numbers are of critical interest to our review, because it is largely from this population that the work of the Vocational Rehabilitation Services Department derives. Employability Assessments must be prepared as part of the administrative process of setting loss of earnings pensions. In addition, most of the vocational rehabilitation service referrals, though by no means all, come out of new pension awards.

These underlying claim trends are partly reflected in the number of referrals for vocational rehabilitation services. After peaking at 11,700 in 1991 the number of referrals declined to about 9,000 by 1993. Since then, it held quite constant until 1996, when referrals

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<sup>6</sup>The numbers behind Figure 2.3 are based on a different measurement than those in Figure 2.2.

dropped by over 15 percent, to just 7,621.<sup>7</sup> This means that since 1991, the number of referrals to vocational rehabilitation services may have declined by as much as 35 percent at the same time that the number of long-term disability claims first paid has increased by 36 percent. We do not have a satisfactory explanation for this change in behavior within the system.

Critics of the WCB allege that it reflects a tougher, cost-conscious attitude at the top of the agency, which finds its expression in the day to day decisions of adjudicators and other board officers. It is also possible that adjudicators and other officers are less likely to refer claims to the VRCs because they have a better understanding of which cases will be candidates for rehabilitation. Management of the Vocational Rehabilitation Services Department believes that the major change has been to eliminate the double counting of referrals that occurred before computerization of the system in 1995.

#### Administrative and Financial Influences

With the change in WCB governance in 1995, the turnover in divisional administration in 1994, the realignment of the divisions in 1995, and the replacement of the President/CEO in 1994, also came an increased focus on the financial results at the WCB. This reflected the dissatisfaction of business stakeholders with the financial performance of the WCB, as well as a number of other consequential issues.<sup>8</sup> The result is that there have been a number of new initiatives at the WCB that are aimed at increasing claims processing efficiency and reducing average claim duration. These have been touted as improving organizational performance for clients as well as improving efficiency and reducing costs. The point is that since these have been important influences at least since late 1994, it is critical to keep these influences in mind as well as we review the performance of the WCB.

Figure 2.4 shows the paylag performance at the WCB; one of the major foci of the new

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<sup>7</sup>However, there was also a potential change in the way referrals were counted with the introduction of the RPM system in 1996.

<sup>8</sup>See Hunt, Barth, and Leahy, (1996), Chapter 2, and O'Callaghan and Korbin (1995), for fuller discussions of these influences.

administration in the Claims Division since 1994. The figure represents the percentage of claims that are paid within 17 days of initial receipt of the claim at the WCB. As is clear from the figure, the WCB has raised its performance very significantly since 1993, increasing from 39 to 52 percent of claims paid within the target of 17 days. This is an improvement of 33 percent in just four years, quite remarkable for an administrative system like that of the WCB. Further, figures for the early months of 1997 indicate a further improvement of approximately 10 percent over the comparable period in 1996. So there have been major gains in performance as measured by the paylag statistic.

Figure 2.5 reveals another important dimension of system performance, average claim duration. For claims that receive any wage loss payment during the year, this figure tabulates the average number of incurred days per claim. The current management of the WCB has driven the average claim duration down by 11 percent in only two years. Further, early reports in 1997 indicate that the average duration continues to trend down significantly, perhaps by as much as an additional eight to nine percent. While there are other influences, such as a recession in the lumbering sector, divisional management is definitely concentrating on duration and paylag as critical performance measures. These are major changes with enormous implications for the financial results of the WCB. Critics assert they also represent reduced attention to the legitimate needs of injured workers.

Figure 2.6 shows how these changes have been manifested in annual claims costs. Total claims costs peaked in 1994 at \$1.162 billion. By 1996, these had backed down to \$1.029 billion, a reduction of about 11 percent. As indicated in the figure, short-term disability payments, health care benefits, and rehabilitation expenses (including more than just vocational rehabilitation) all have declined over the past two years. While 1993 was the peak year for rehabilitation costs in this figure, this reflected implementation of the new policy of capitalizing future vocational rehabilitation costs. Actually, the figure reflects total capitalized rehabilitation benefits of \$118.6 million in 1994 and \$119.9 million in 1995, with a decline to \$58.7 million in 1996, or 51 percent in one year. As we shall see later in this section, current vocational rehabilitation expenditures have declined from \$68.6 million in 1994 to \$43.4 million (37 percent over two years).

These operating results are also passing through to the financial bottom line of the WCB. Figure 2.7 shows that after operating with small but persistent deficits in the early 1990s, the WCB has generated an operating surplus the last two years. Surpluses of \$82 million in 1995 and \$313 million in 1996 have restored the WCB to a 95 percent funded basis as of the end of 1996, despite the impact of a court ruling on widows' benefits that necessitated an adjustment of over \$400 million in pension benefit liabilities. Last, Figure 2.8 shows that the average assessment rate has been trending steadily up since 1990. However, in 1997 this will be turned around, reflecting the turn in claims costs some two years earlier.

### Vocational Rehabilitation Services Department Operations

According to Chapter 11 of the *WCB Rehabilitation Services and Claims Manual*, services provided to clients through the Department include counseling, vocational assessment and planning, job readiness/skill development, placement assistance and residual employability assessment. The principal objectives of these vocational rehabilitation services are to: (1) assist workers in their efforts to return to their pre-injury employment or to an occupational category comparable in terms of earning capacity to the pre-injury occupation; (2) provide assistance considered reasonably necessary to overcome the immediate and long-term impact of compensable injury, occupational disease or fatality; (3) provide reassurance, encouragement and counseling to help the worker maintain a positive outlook and remain motivated toward future economic and social capability; and (4) provide preventative vocational rehabilitation services when appropriate.

Referrals for vocational rehabilitation services are typically initiated by Claims Adjudicators located in the various Service Delivery Locations (SDLs) throughout the Province and from the Disability Awards Department. However, workers may also be directly referred by physicians, hospitals, union representatives, employers, other agencies, or by seeking assistance themselves.

In terms of eligibility for services, it is the Vocational Rehabilitation Consultant who makes the determination and identifies the nature and extent of vocational rehabilitation services to be provided, based on whether it appears that such assistance may be of value to a

WCB client. Referral guidelines exist for immediate referrals (e.g., spinal cord injuries, major extremity amputations, severe brain injuries) and general referrals (e.g., anticipated problems returning to work, requests for employability assessments). However, eligibility decisions and the nature and extent of services to be provided are discretionary rather than an automatic entitlement. As a result of the discretionary nature of eligibility decisions and service provision, the philosophy and values of the Department (as expressed in both formal and informal practice) take on great importance in the delivery of services to injured workers.

As we have pointed out in the administrative inventories, the Vocational Rehabilitation Services Department has not maintained adequate statistics, on either inputs or outputs. Those that are available are generally not comparable over lengthy periods, either because of changes in the measures themselves, or changes in policy and/or practice. Historically, only financial information has been consistently available. In recent years, the Department has started to accumulate some outcome data that enable some comparisons across time, but these changes actually complicate the task at hand since they have introduced questions of comparability.

Figure 2.9 shows the return to work (RTW) outcomes realized by Vocational Rehabilitation Services over the past five years at the WCB. The figure is organized according to the hierarchy of the rehabilitation model, with the options generally corresponding to the desired placement options.<sup>9</sup> First comes those RTW placements that involve returning the injured worker to the same job with the same employer (VRS code CLS02). The Vocational Rehabilitation Services Department returned 934 workers to their former employment during 1996, or about 37 percent of all RTW placements. Second are the RTW placements which involve a new job at the same employer (VRS code CLS03). A total of 472 such placements were achieved in 1996, or about 19 percent of all RTW placements. These placements have increased very significantly over the past five years, presumably reflecting the increasing acceptance of alternative work by employers.

The next three codes involve a change of employers. The option labeled “New job, same industry” pertains to situations where the VRS Department has succeeded in placing the

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<sup>9</sup>See Hunt, Barth, and Leahy (1996), pp. 149-150.

injured worker in a new job with a new employer, but in the same industry as their former employment (VRS code CLS04). A total of 254 such placements were made during 1996, or about 10 percent of all RTW placements. These outcomes increased through 1995, then dropped back in 1996. The option labeled “New job, new industry” represents placements where there is little or no direct connection to the injured workers’ former work situations (VRS code CLS05); they involve both a new employer and a different industry than the pre-injury employment. Such placements were achieved for about 522 injured workers during 1996, or about 21 percent of all RTW placements. There appears to be little or no trend in such placements since 1993.

The “Training, new employer” option represents instances where there was a formal training program sponsored by the WCB and it resulted in a placement in a new job (CLS06). There were 151 such placements during 1996, or about six percent of all RTW placements. Again, the trend in such outcomes was up through 1995, dropping back in 1996. Last, the “Self employment” outcome represents situations where the WCB has helped to set an injured worker up in business for themselves (CLS07). There were 194 such placements during 1996, or about eight percent of all RTW placements. These outcomes increased to 1993 and then declined. The reduction in such placements is another controversial area of vocational rehabilitation policy and practice, according to our interviews.

This graphical analysis covers the 2,527 cases that resulted in a return to work during 1996. In a sense, it measures one of the positive outcome objectives of a full-range vocational rehabilitation program. There were another 3,927 vocational rehabilitation claims that did not involve RTW. Based on 1995 annual data,<sup>10</sup> it is projected that about half of this group involved “non-RTW interventions,” in other words, vocational rehabilitation interventions that were not specifically aimed at returning the injured worker to work. The other half could be regarded as rehabilitation failures. These involve a number of status codes, including unemployed, unsuccessful job search, uncooperative client, non-WCB condition, voluntarily

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<sup>10</sup>According to the Vocational Rehabilitation Services Department, comparable data are not available for 1996.

inactive, retired, severe disability (i.e., 100%), and other. About 48 percent of the non RTW closures in 1995 were coded as “Other;” in other words, we cannot determine now what their status was at closure.

Comparing the last three years is only possible with partial year data. Figure 2.10 shows the RTW statistics for the first four months of the year (January through April) for 1995, 1996, and 1997. While this makes the analysis susceptible to random fluctuations in administrative processing, staffing patterns, holidays, etc., it does extend the trend in vocational rehabilitation return-to-work outcomes into 1997. The number of injured workers returned to their old jobs (CLS02) is increasing slowly across the three years. The number who stay with their employer, but move to new job duties (CLS03) fluctuates fairly widely, up in 1996 and back down in 1997. The outcomes that involve placement with a new employer (CLS04 and CLS05) also vary, with a drop in 1996 and rebound in 1997. There appears to be a decline in the formal training (CLS06) and the self-employed (CLS07) outcomes. Overall, the impression is that there have been no dramatic changes, at least as reflected in this partial analysis.

Figure 2.11 puts the best face on this statistical picture, according to the WCB management. When the return-to-work placements are expressed as a percentage of referrals for the first four months of each of the past four years, the “success” rate has risen considerably from 24 percent in 1994 to 34 percent in 1997. Of course, this reflects both an increased number of job placements (the numerator) and a decreasing number of referrals (the denominator); but such performance gains are still impressive. It is also worth noting that all these performance statistics reflect the situation at closure. There is no follow-up after closure to test the durability of the return-to-work placements.

Figure 2.12 shows WCB vocational rehabilitation expenditures by category for the last five years. This figure makes it clear that the efforts of the Vocational Rehabilitation Services Department have effectively been converted to the placement mission, and away from income continuity and miscellaneous rehabilitation. While job search expenditures (Codes E and U) actually declined by about \$4 million between 1995 and 1996, they nearly reached 50 percent of total expenditures in the latter year. Income continuity, by contrast, has declined by over

\$8.5 million since peaking in 1994, dropping from 12 percent of total expenditures to below zero. The other category that has dropped precipitously is “Miscellaneous rehabilitation” (Code M). From nearly \$13.5 million in 1994, this category of expenditure has dropped to \$3.8 million in 1996, falling from 20 percent to 9 percent of vocational rehabilitation expenditures. “Other” rehabilitation has also declined significantly, although only falling from 15 percent to 14 percent of total VR expenditures. “Training on the job” (Code Y) and “Formal training” (Code G) have declined only slightly in expenditure levels, and therefore have risen as a percent of total expenditures.

The last performance dimension to be reviewed is the Employability Assessment. The Vocational Rehabilitation Services Department performs these as a service to Disability Awards for the purpose of setting the level for a loss of earnings pension under British Columbia’s dual system for permanent disabilities. In addition, of course, such an assessment would be required before the implementation of any vocational rehabilitation plan for an injured worker. Figure 2.13 shows the number of these completed annually since 1981. Given the growth in the number of permanent disability pension awards (see Figure 2.3) and the growth in VRC staff over these years, it is obvious that a differential amount of effort has gone into producing these assessments.

It is also true that the backlog of Employability Assessments in 1995 represented a significant part of the management challenge at the WCB. In fact, the delays in securing Employability Assessments prevented finalising the pension awards, which led the VRCs to continue Code R payments beyond what many regarded as a reasonable point. Since the claimant, by definition, could not do better financially than the Code R benefit, given that most were permanently partially disabled, an inexperienced VRC could not get into trouble by just continuing the Code R income continuity benefits as long as possible. Given the lack of management structure in the Vocational Rehabilitation Services Department between 1993 and 1995, there was no effective opposing force.

One of the major achievements of the current VRS Department management is to bring the output up and the backlog of Employability Assessments down substantially. To illustrate, the number of Employability Assessments “in progress” has been reduced from 451 in



February 1995 to 299 in February 1997. This in turn has aided the efficiency of the Disability Awards Department in making timely decisions on permanent pension awards. Both have effectively reduced the need for Code R payments. However, as we shall see in the next section of the Report, there is another issue driving the change in Code R payments.

Finally, figure 2.14 shows total vocational rehabilitation payments for the past ten years. It does not include capitalized reserves for future payments, but simply the current year rehabilitation payments on behalf of WCB clients. The figure makes clear that the growth in rehabilitation costs of the early 90s was astounding, even without the capitalization of future commitments which began in 1993. Annual vocational rehabilitation payments expanded at 52 percent per year from 1990 through 1994. As will be discussed later, there is no evidence of a comparable increase in outcomes. More recently, rehabilitation payments have declined by 20 percent per year from 1994 through 1996. Since 1993, when the blended management structure was implemented and the Vocational Rehabilitation Services Department lost its professional leadership, vocational rehabilitation payments soared upward by \$20 million per year and then dropped back by \$25 million. Overall, since 1993, vocational rehabilitation costs have declined roughly comparably to the decline in wage loss claims first paid (11 percent and 8 percent respectively). In other words, the situation has returned to roughly where it was in 1993 in terms of direct vocational rehabilitation payments relative to the underlying case population.

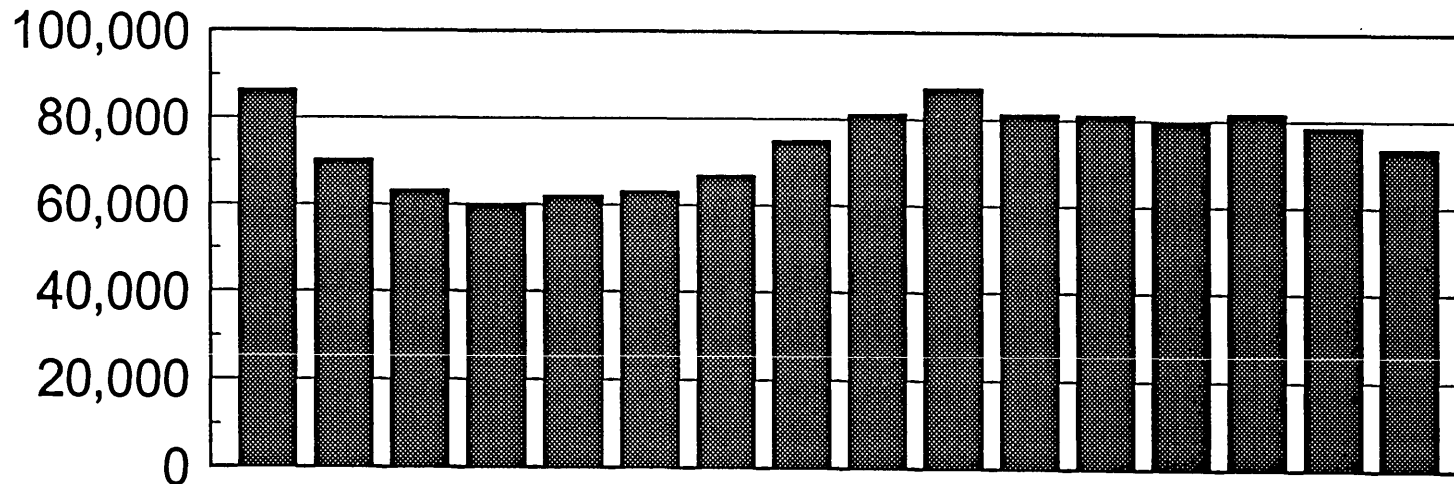
### Summary

There are two major observations that emanate from this analysis. First, the runaway vocational rehabilitation expenditures that we found so alarming in the 1995 administrative inventory have been brought under effective control. Second, the Vocational Rehabilitation Services Department has been converted to much more of a job placement orientation. Both these developments reflect the broader focus of the Compensation Services Division and the WCB as a whole since 1994. We turn next to the specific policy and practice issues that are at the core of the current criticism of vocational rehabilitation practice at the WCB.

Figure 2.1

# WAGE LOSS CLAIMS FIRST PAID

Number of Claims



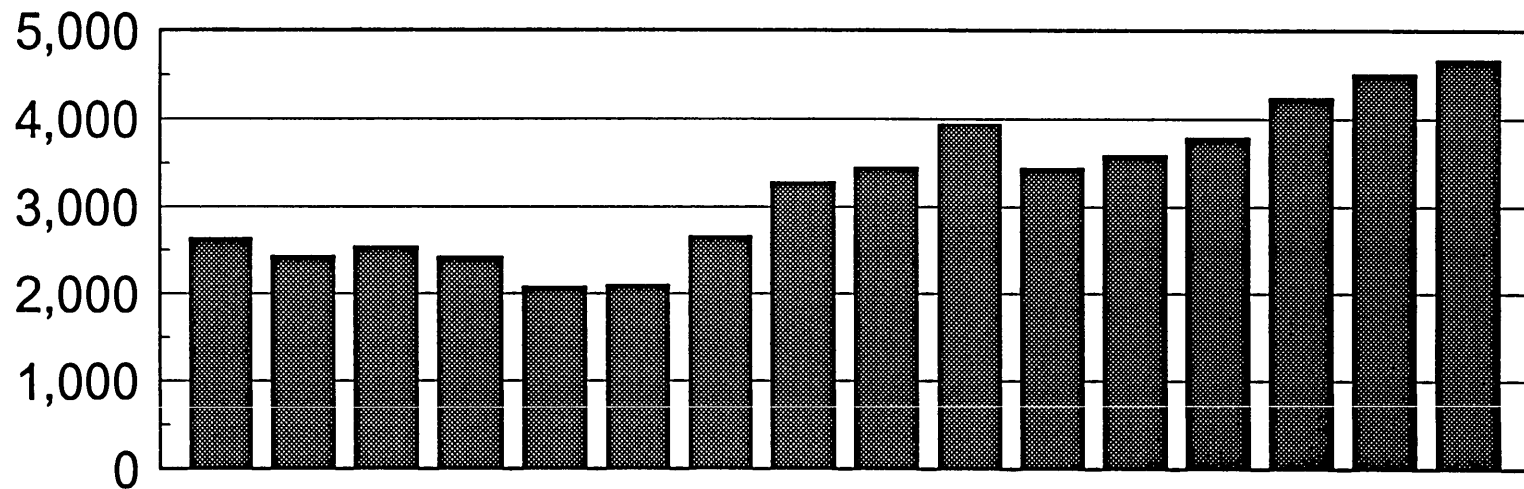
Calendar Year	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
	86,264	70,255	63,291	60,044	62,052	63,066	66,869	74,815	81,046	87,147	81,236	81,003	79,503	81,488	78,400	73,480

Source: WCB of British Columbia

Figure 2.2

## LONG TERM DISABILITY CLAIMS FIRST PAID

Claims



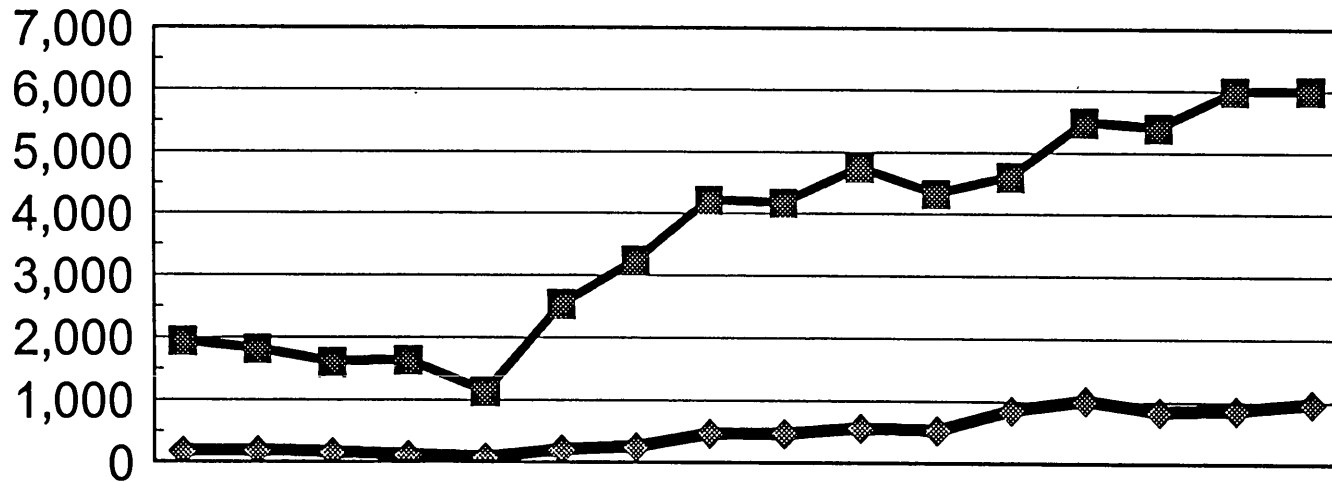
Calendar Year	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
	2,631	2,424	2,531	2,419	2,071	2,095	2,656	3,272	3,446	3,935	3,431	3,583	3,778	4,228	4,504	4,667

Source: WCB of British Columbia

Figure 2.3

## PERMANENT DISABILITY AWARDS

Number of Awards



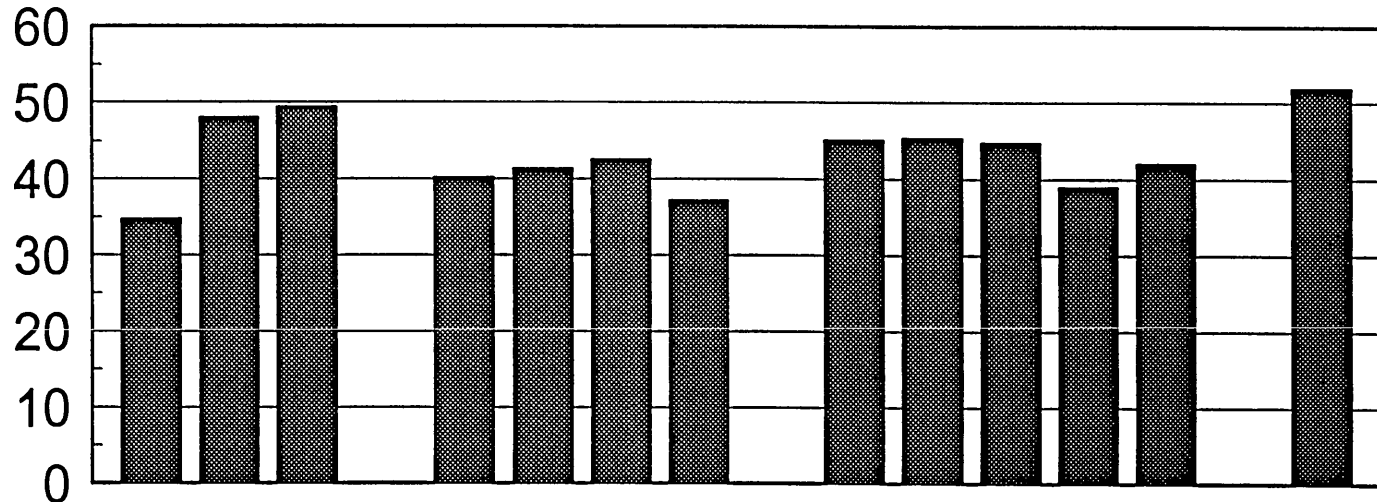
	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
Functional Awards	1,935	1,809	1,598	1,631	1,134	2,537	3,237	4,215	4,174	4,748	4,330	4,607	5,484	5,400	5,990	6,000
LOE	180	191	163	122	72	205	257	468	469	561	533	854	1,010	833	857	966

Source: WCB of British Columbia

Figure 2.4

# PAYLAG PERFORMANCE

Percent Paid in 17 Days



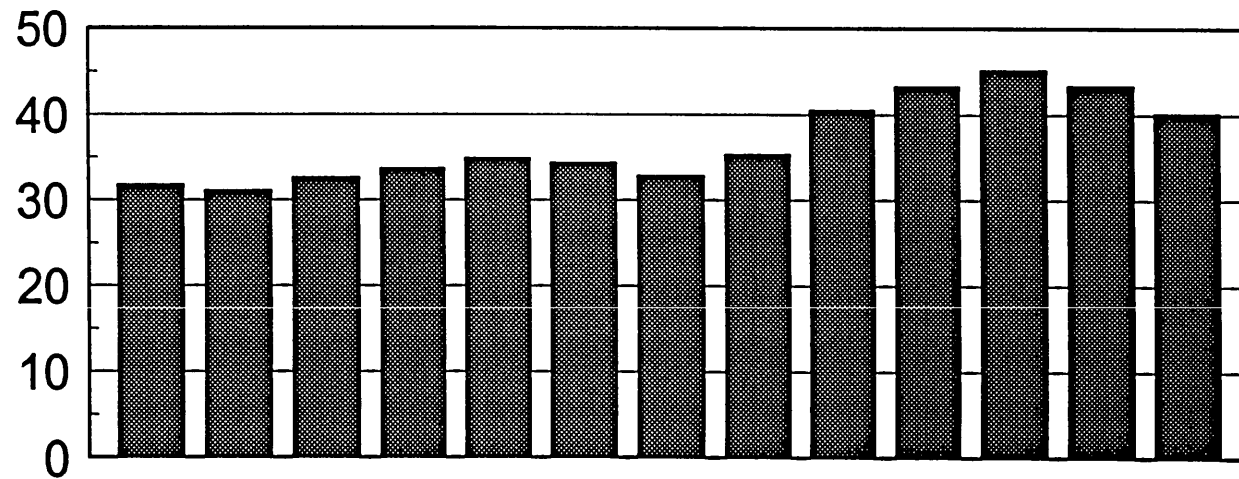
Calendar Year	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
	34.6	48.0	49.3	0.0	40.1	41.3	42.5	37.1	0.0	45.1	45.3	44.7	38.9	42.0		51.8

Source: WCB of British Columbia

Figure 2.5

## AVERAGE CLAIM DURATION

Incurred Days per Claim

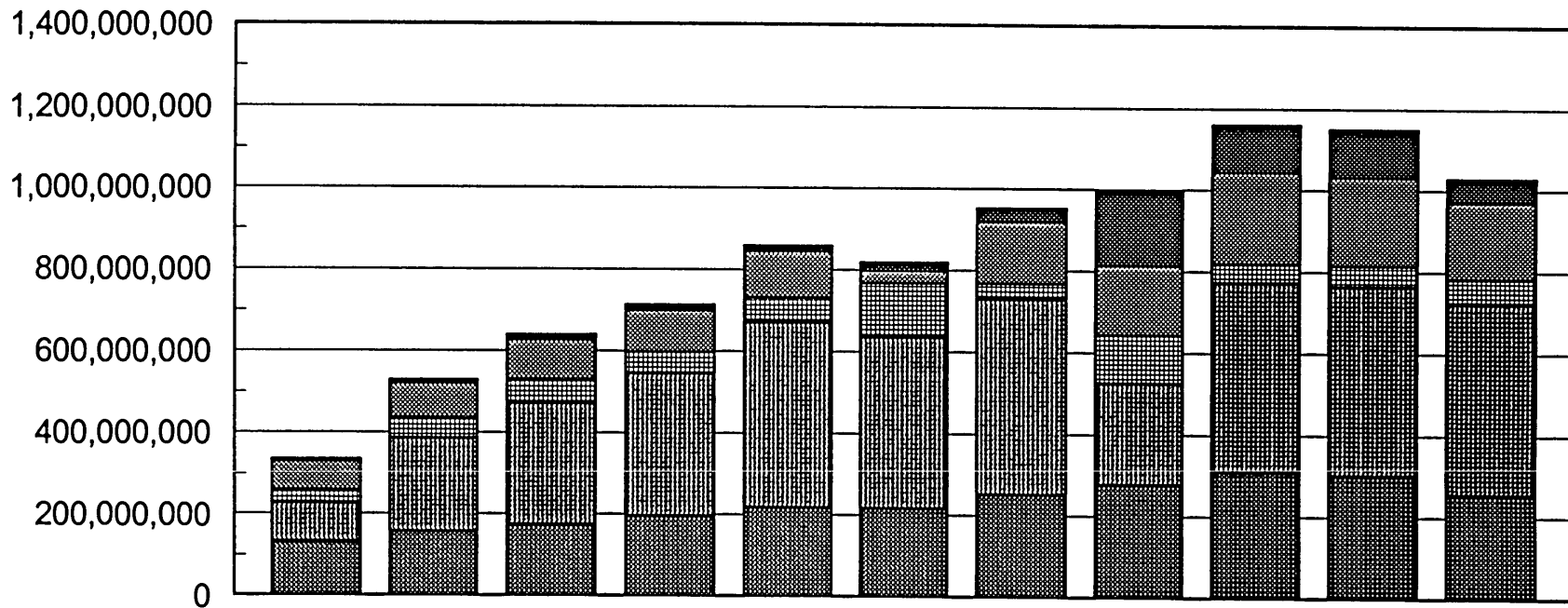


Calendar Year	84	85	86	87	88	89	90	91	92	93	94	95	96
	31.7	31.0	32.5	33.6	34.8	34.3	32.8	35.3	40.5	43.2	45.1	43.3	40.1

Source: WCB of British Columbia

Figure 2.6  
**ANNUAL WCB CLAIMS COSTS**

Current Dollars

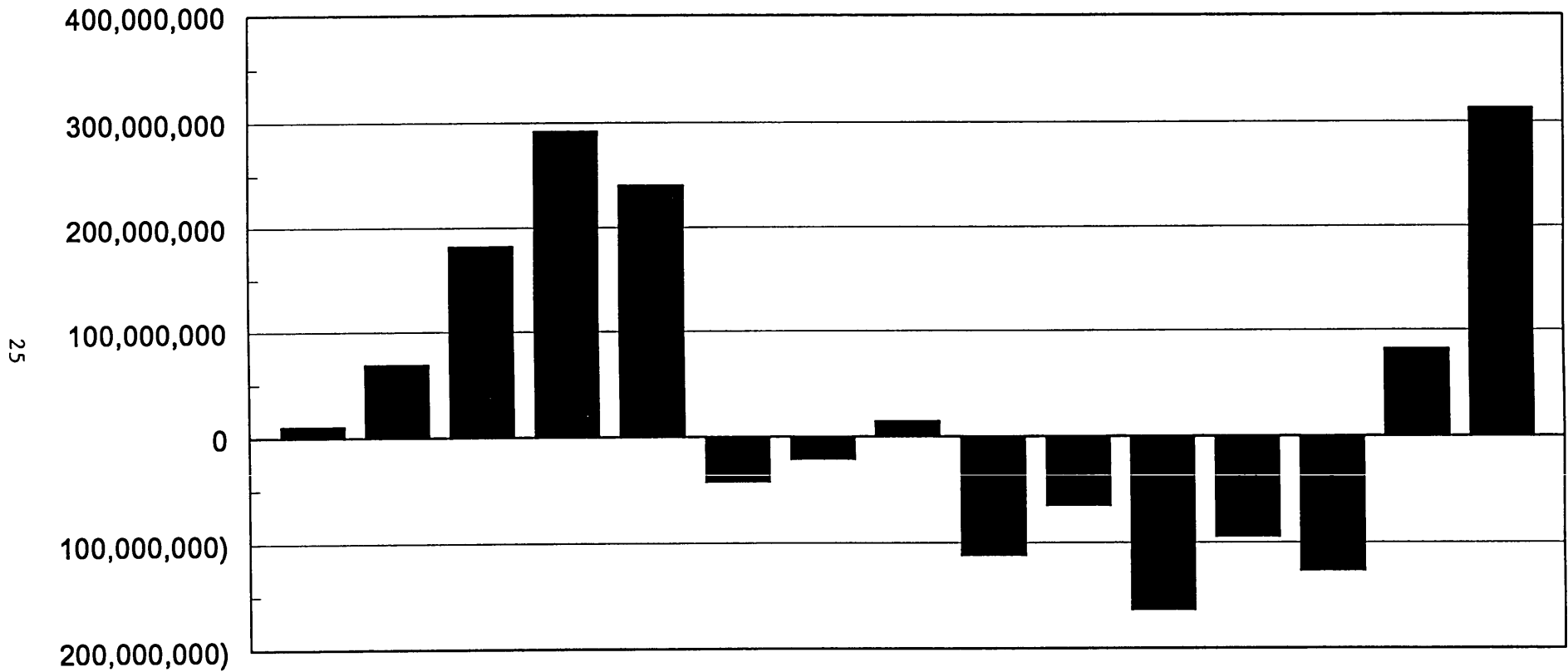


Calendar Year	86	87	88	89	90	91	92	93	94	95	96
Short-term	132,165,000	156,423,000	175,123,000	196,944,000	218,187,000	217,679,000	252,972,000	279,330,000	309,528,000	303,052,000	256,841,000
Long-term	96,079,000	228,587,000	297,583,000	349,046,000	452,397,000	417,887,000	477,319,000	245,924,000	463,767,000	460,630,000	467,479,000
Survivor	30,285,000	49,198,000	55,618,000	51,144,000	60,787,000	133,318,000	38,442,000	118,272,000	44,969,000	52,055,000	58,907,000
Health Care	71,114,000	86,969,000	99,444,000	102,627,000	113,829,000	29,707,000	151,052,000	168,940,000	224,832,000	216,330,000	186,912,000
Rehabilitation	4,616,000	7,133,000	10,835,000	12,229,000	12,856,000	20,352,000	32,522,000	181,728,000	118,643,000	119,907,000	58,701,000

Source: WCB of British Columbia

## Figure 2.7 ACCIDENT FUND OPERATING RESULTS

Current Dollars



Calendar Year	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
	10,740,000	69,354,000	181,873,000	292,017,000	240,970,000	(42,387,000)	(20,908,000)	14,827,000	(111,710,000)	(64,893,000)	(163,562,000)	(94,498,000)	(126,193,000)	82,141,000	312,527,000

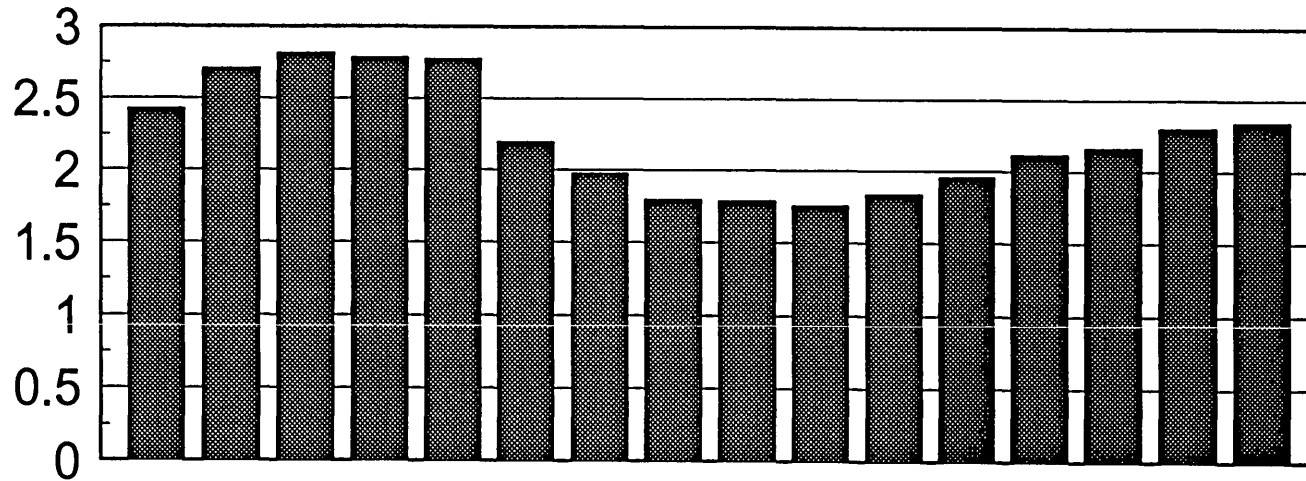
Source: WCB of British Columbia



Figure 2.8

# WCB AVERAGE ASSESSMENT RATE

\$ per \$100 of Payroll



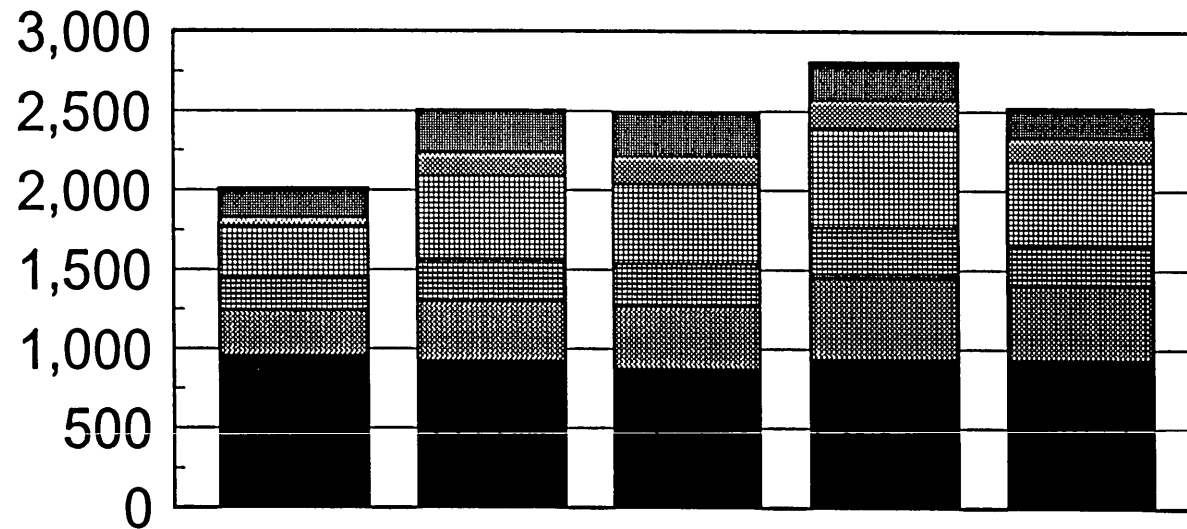
Calendar Year	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
	2.42	2.70	2.81	2.78	2.77	2.19	1.97	1.79	1.78	1.75	1.83	1.95	2.11	2.16	2.30	2.34

Source: WCB of British Columbia

Figure 2.9

# WCB VOCATIONAL REHABILITATION OUTCOMES

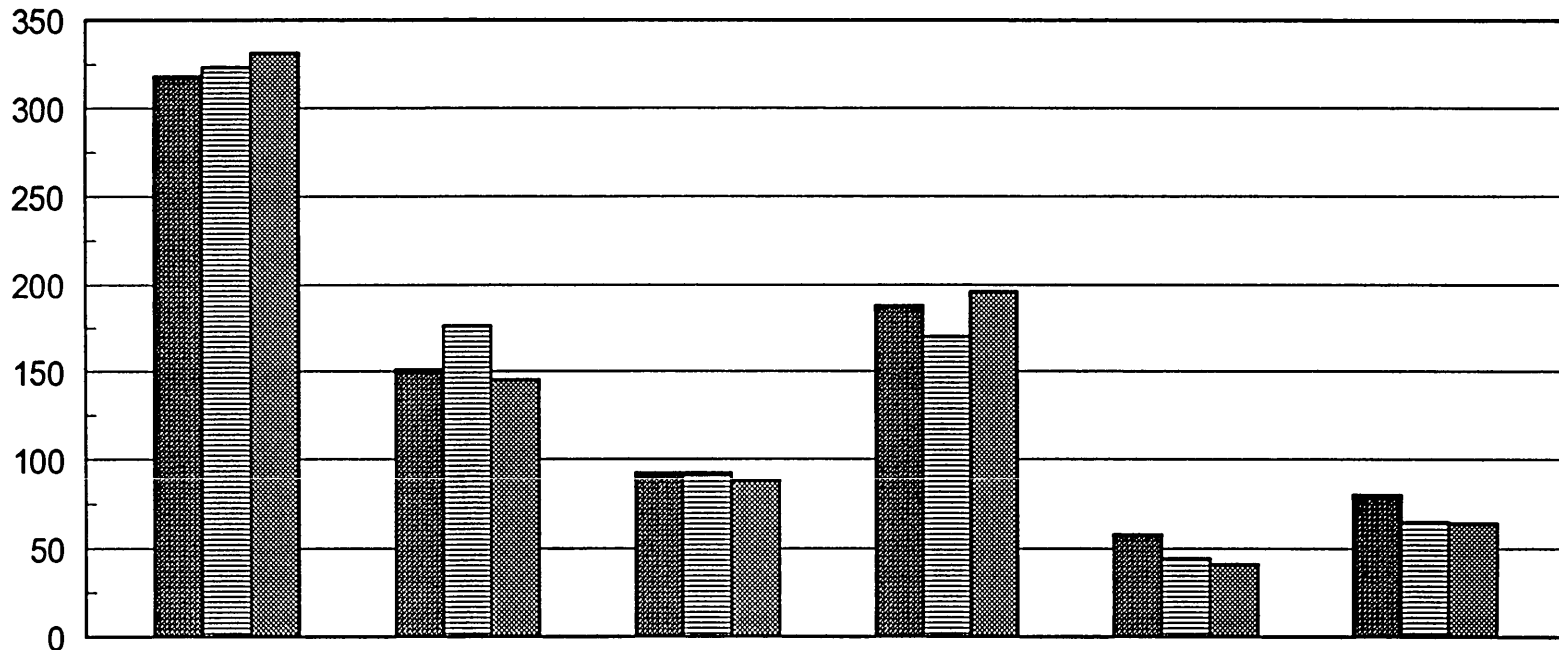
## Return to work outcomes



Calendar Year	92	93	94	95	96
Same job, same employer	956	923	875	938	934
New job, same employer	288	375	394	514	472
New employer, same industry	200	267	268	317	254
New job, new industry	326	526	503	619	522
Training, new employer	59	142	172	187	151
Self employment	186	278	278	238	194

Source: WCB of British Columbia

Figure 2.10  
**VOCATIONAL REHABILITATION SERVICES**  
 April YTD 1995 - 1997



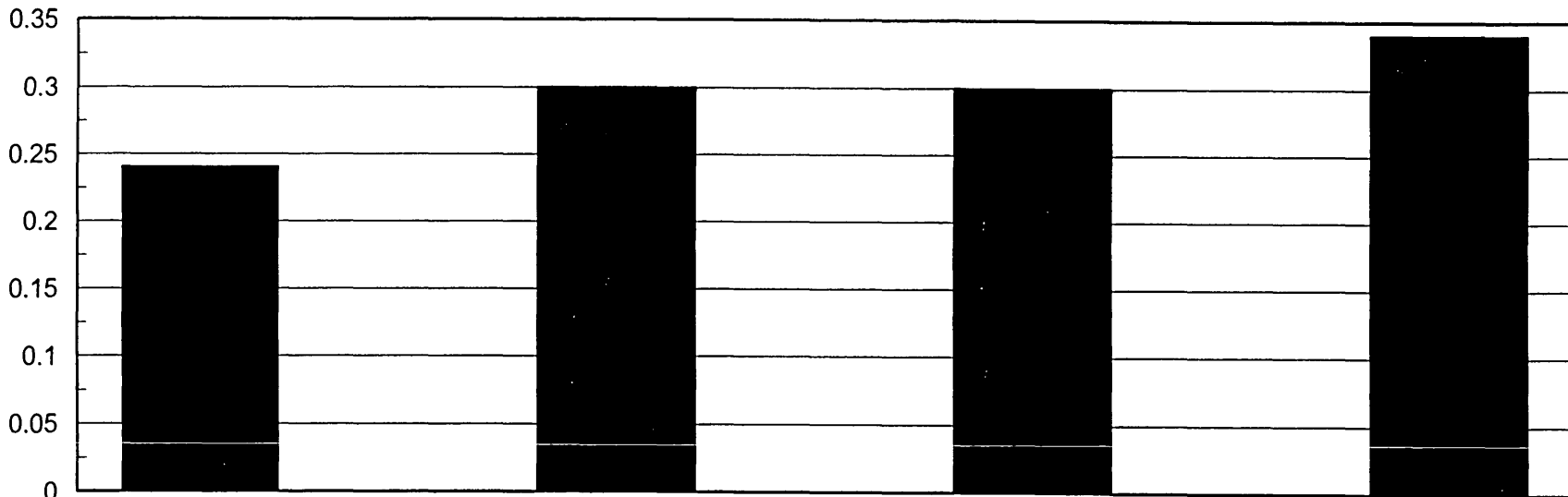
	CLS02	CLS03	CLS04	CLS05	CLS06	CLS07
1995	318	151	92	188	58	80
1996	323	176	92	170	44	65
1997	331	145	88	196	41	64

Source: WCB of British Columbia

CLS02: Old Job, Same Employer  
 CLS03: New Job, Same Employer  
 CLS04: New Job, New Employ, Same Ind.  
 CLS05: New Job, New Employ, New Ind.  
 CLS06: Formal Training, New Employer  
 CLS07: Self-Employed

Figure 2.11  
**VOCATIONAL REHABILITATION SERVICES**  
 April YTD 1994 - 1997

Percentage



29

1994		1995		1996		1997
24%		30%		30%		34%

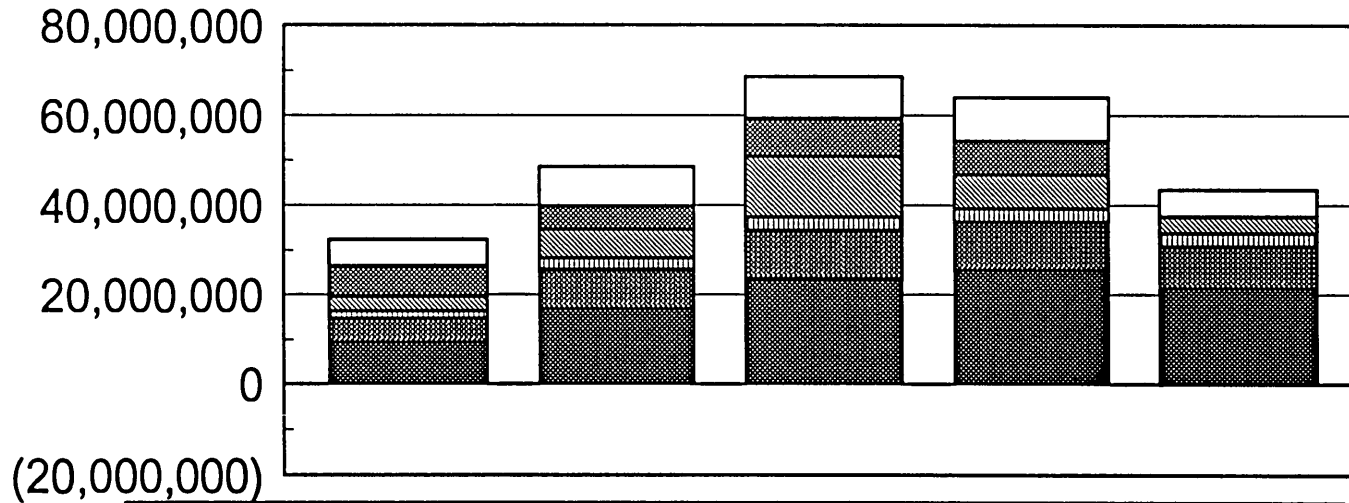
Return to Work as a Percentage of Referrals

Source: WCB of British Columbia

Figure 2.12

## WCB VOCATIONAL REHABILITATION COSTS

Current Dollars



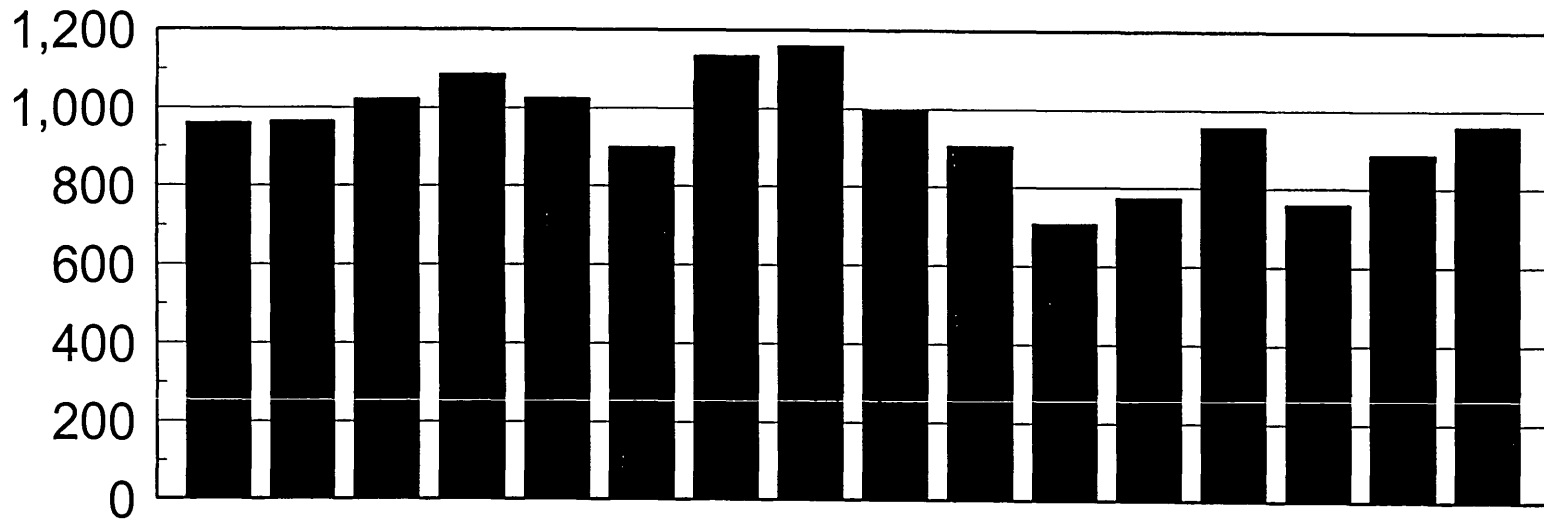
(20,000,000)

Calendar Year	92	93	94	95	96
Job Search	9,385,000	16,959,000	23,538,000	25,504,000	21,561,000
Training	5,459,000	8,845,000	10,982,000	10,912,000	9,418,000
TOJ	1,687,000	2,403,000	2,900,000	3,001,000	2,819,000
Misc	3,142,000	6,511,000	13,484,000	7,488,000	3,849,000
Income Cont	6,937,000	5,277,000	8,486,000	7,536,000	(243)
Other	5,912,000	8,561,000	9,217,000	9,655,000	5,979,000

Source: WCB of British Columbia

Figure 2.13  
**WCB Employability Assessments**

Number Completed

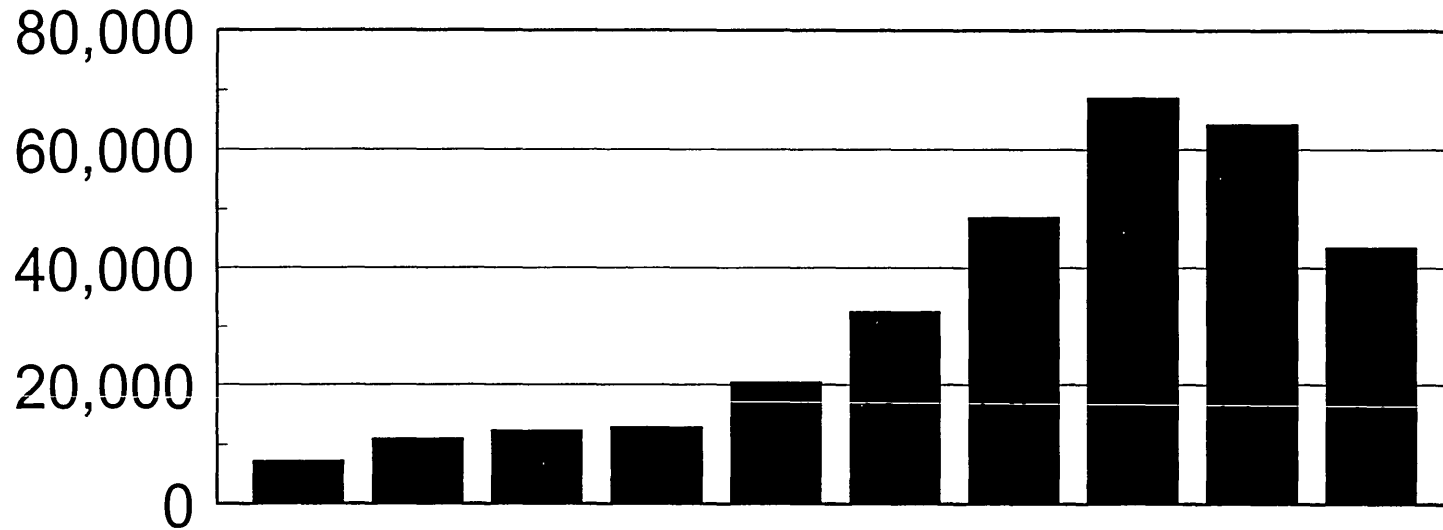


Calendar Year	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96
	959	963	1,021	1,085	1,023	897	1,133	1,159	996	903	705	772	954	757	885	957

Source: WCB of British Columbia

Figure 2.14  
**REHABILITATION PAYMENTS**  
 1987-96

\$ in thousands



Calendar Year	87	88	89	90	91	92	93	94	95	96
\$ in thousands	7,133	10,835	12,229	12,856	20,352	32,522	48,556	68,607	64,096	43,383

Source: WCB of British Columbia

### III. POLICY ISSUES



### III. POLICY ISSUES

#### Introduction

As indicated in the introduction to this report, there are a number of policy issues that have been raised by stakeholders in the system. In light of the turnaround in financial performance outlined in the previous section, it is perhaps not surprising that questions would be raised about “changes in policy” that would explain the substantial cost differences. In a system as contentious as workers’ compensation, any significant change tends to be attributed to a change in the balance of power or influence of one side or the other. Labour sees any reduction in costs as a symbol of employer influence, and employer groups see any increase in benefits as revealing labour’s dominance of the system. Unfortunately, the WCB gets caught in the middle.

Since there have been no significant legislative changes since 1995, it arouses the suspicions of worker advocates when the number of claims are coming down, costs have been significantly reduced, and the growth of permanent pension awards seems to have slowed or stopped. At the same time, divisional leadership at the WCB has emphasized a return-to-work philosophy for injured workers and a focus on reducing duration of disability as one way to control costs more effectively. While we would regard this as a practical orientation, we are also mindful that some regard it as a significant change in the philosophy of the WCB. What this section and the one to follow seek to determine is whether these changes can be characterized as changes in policy, requiring the approval of the Panel of Administrators, or even legislative enactment, or whether they fall within the normal range of executive authority and management prerogatives.

The 1996 strategic plan for the WCB, *Transforming the Workers’ Compensation Board of British Columbia: A Strategic Plan*, was released in April 1996 after extensive internal development and considerable external discussion. It commits the WCB to meeting a “Service Challenge,” which includes a strong return-to-work (RTW) orientation.

RTW strategies are an essential mandate of the Board. Workers, employers, unions, business associations and others also play an important part. Increasing the RTW outcomes is a win/win situation for both employers and workers. We also recognize that RTW requires a commitment from employers and workers which starts at the worksite. We are developing even more effective ways to support this process. (*Transforming the Workers' Compensation Board of British Columbia: a Strategic Plan*, p. 11)

While the WCB has declared an early return to work to be a “win/win” solution for employees and employers, it is obviously still very controversial, particularly among worker advocates who believe the strategy is motivated more by cost considerations than concern for the worker’s welfare. We would characterize the WCB statement, however, as fitting comfortably with the current “best practice” in Canada, Australia, and the United States. Leading jurisdictions today are seeking to reorient workers’ compensation programs from a passive, benefit payment mode to a proactive, disability management mode. This generally involves significant changes in both practice and in policy, depending on the specific legislative and regulatory environment.

We have encountered five specific vocational rehabilitation “policy” issues that are causing suspicion and consternation among stakeholders and other informed observers of the system.<sup>11</sup> They are: (1) the discretionary nature of vocational rehabilitation; (2) the question of employment or employability as the goal of vocational rehabilitation; (3) the issue of deeming earnings in setting permanent pensions; (4) recent changes in the payment of income continuity benefits (Code R payments); and (5) the role of the Vocational Rehabilitation Advisory Council. But first the general nature of criticism of the WCB and the Vocational Rehabilitation Services Department will be outlined.

### Criticism of WCB Performance

We talked with a significant number of critics of the WCB, and they were quite

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<sup>11</sup>We are aware that issues cannot so easily be classified, but trust that our specific orientation to the vocational rehabilitation questions is understandable and justified by the terms of reference of the review.

consistent in the judgment that “things have changed” at the Board.<sup>12</sup> Their complaints included some specific allegations about vocational rehabilitation practice, but the more general feeling among injured worker advocates is that the WCB has gotten “more hard-hearted” in recent years. As evidence of this, they allege that claims disallow rates are at an all-time high at the Board, that appeals to the Workers’ Compensation Review Board have increased by over 50 percent in the past two years, and that a rising proportion of claims are being deemed, and essentially closed arbitrarily without a satisfactory resolution.

For those critics who were able to distinguish the Vocational Rehabilitation Services Department from other WCB entities, the complaints centered mostly on the issues we will discuss below. However, there was also a view expressed that the Vocational Rehabilitation Consultant (VRC) is no longer an advocate for the injured worker. Critics perceive that the VRCs now look for an opportunity to say no, either to clear their case load or to save money for the Board. The external worker advocate community believes that vocational rehabilitation practice has now descended to the same level of “meanness” that they believe has always characterized the Board’s adjudicative decisions.

Critics also assert that the rehabilitation plans are generally more restrictive today, and that less worker input is accepted. It is maintained that a “job search or nothing” attitude characterizes many VRCs, particularly relative to lower wage workers. There are fewer referrals to vocational rehabilitation (as demonstrated in the previous section), and self-referral is now declared to be “a non-starter.” Deeming of jobs is believed to be both more frequent and less realistic than before. Some advocates claim to have seen a “cookie cutter” approach to vocational rehabilitation; they question how many lottery ticket sales persons and self-service gas station attendants can be absorbed into the economy, even in the lower mainland.

At the same time, it is alleged that the VRCs are overloaded with work and this sometimes leads to a dictatorial attitude toward injured workers who need to make this critical lifetime decision carefully. Many labour critics believe also that there is an imbalance in the treatment of the injured worker and his/her employer, particularly in the access to information.

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<sup>12</sup>See list of individuals interviewed at Appendix.

Employers, it is claimed, have immediate access to any WCB record they request, while workers have a great deal of difficulty just obtaining records about WCB processing of their own claim. It should also be noted that we heard exactly the opposite complaint from employer interests.

But finally, much of the resentment about WCB practice comes down to the return-to-work focus. Labour groups in British Columbia, and elsewhere, have been and continue to be very suspicious of the early return-to-work idea. Labour critics of the WCB assert that they support the concepts of disability management and early intervention, but they do not accept the way that these concepts are being implemented at the Board. Referring to these workers as the “walking wounded,” they claim that abuse and coercion of such workers is endemic to such programs. This is a fundamental disagreement that the WCB has not addressed adequately. While the April 1996 Strategic Plan document adopts early return to work as one of the goals of WCB policy and practice, it is obvious that not all stakeholders are convinced that this is in the best interest of injured workers.

From the employer side, the primary concern is that vocational rehabilitation expenses should be justified on an investment basis. While most would not insist on a strict cost-benefit calculation, there is the feeling that monies spent on vocational rehabilitation activities should yield specific returns that justify the investment. Employer groups welcome the recent reductions in vocational rehabilitation expenditures, but still believe that the level is excessive relative to historical cost levels.<sup>13</sup> There are allegations of vocational rehabilitation “horror stories,” which generally involve what employers regard as excessive expenditures for activities that do not promise a significant monetary return, or that seem overly indulgent of the injured worker.

Employer groups also seem to approve of the WCB’s recent emphasis on return to work. An aggressive disability management program is generally believed to lower overall disability costs, so employers can be expected to respond favorably to such initiatives.

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<sup>13</sup>This comparison is complicated mightily by the change to reporting incurred vocational rehabilitation expenses on a capitalized basis beginning in 1993.

However, there is still some confusion over the proper role of the WCB as a facilitator of this process. Since the fundamental relationship is between the employer and the worker, the role of the WCB needs to be carefully spelled out and accepted by both parties.

#### Vocational Rehabilitation as a Discretionary Benefit

The statutory language is clear that there is no “right” to vocational rehabilitation services in the British Columbia system. The authority to provide such services is granted to the WCB in Section 16 of the *Workers Compensation Act*. As stated in the Act:

- (1) To aid in getting injured workers back to work or to assist in lessening or removing a resulting handicap, the board may take the measures and make the expenditures from the accident fund that it considers necessary or expedient, regardless of the date on which the worker first became entitled to compensation.
- (2) Where compensation is payable under this Part as the result of the death of a worker, the board may make provisions and expenditures for the training or retraining of a surviving dependent spouse, regardless of the date of death.
- (3) The board may, where it considers it advisable, provide counseling and placement services to dependants. (The Act, Section 16)

The emphasis throughout is on “may” rather than “must” and this fact has created tensions in vocational rehabilitation services that are qualitatively different from those in other WCB operations. (See the excellent briefing paper prepared by the Policy Bureau of the WCB entitled, “Vocational Rehabilitation and Re-Employment Issues: A Briefing Paper” for the history of vocational rehabilitation at the WCB.)

Since vocational rehabilitation is a discretionary benefit rather than an entitlement, practice and policy have evolved largely through precedent and management decision. Therefore, the *Rehabilitation Services & Claims Manual* assumes even greater significance for vocational rehabilitation practice, because it is almost the sole source of authority for WCB practices.<sup>14</sup> Chapter 11 of the *Manual* was rewritten and promulgated in 1992, under the

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<sup>14</sup>We say “almost” because decisions of the Workers' Compensation Review Board, the Appeal Division of the WCB, and court decisions obviously compromise the authority of the *Rehabilitation Services & Claims Manual*.

authority of the new governance structure. It was very much a part of the “new wave” that swept over the WCB after the 1991 governance changes (see Hunt, Barth, and Leahy, 1991). The new attitude of openness and the invitation to stakeholder participation was clearly an important influence on the revisions to vocational rehabilitation practice that were implemented at that time. In vocational rehabilitation practice, this was specifically manifested in a desire to involve the injured worker in developing his/her own rehabilitation plan. While this practice pays dividends in terms of commitment to the plan, it also can cause delays in the case of an uncooperative client, or a difficult vocational rehabilitation situation.

Further, the expansion of the Vocational Rehabilitation Services Department between 1991 and 1994 and the explosion of vocational rehabilitation expenditures that was highlighted in the 1995 Administrative Inventory created an expectation that rehabilitation was becoming much more accessible. This has made the reversal of direction in the past two years that much harder to accept for worker advocates. However, it has always been the case that the WCB reserves the decision as to who shall receive vocational rehabilitation services and what services they shall receive.

In the past two years, this discretionary WCB decision has been subject to more management guidance and control than in the period from 1993 to 1995. Because of the reimposition of a professional management structure specifically for the vocational rehabilitation function, new and improved understanding of practice guidelines has been provided. This was required to return vocational rehabilitation practice to consistency and control. For example, at present vocational rehabilitation practice is quite clear that rehabilitation is extended only to those cases where there is a significant physical impairment. If this was not the understanding of all VRCs before, then the reinforcement of such a requirement constitutes a reduction in benefits for some individuals.

#### Employment or Employability

Our administrative inventories in both 1991 and 1995 identified this as a significant issue for vocational rehabilitation policy and practice. In 1991, we said:

There needs to be some clarification of the operational goal of the vocational

rehabilitation process at the WCB. Specifically, is the goal to enhance the injured workers employability, or is it the actual placement and return to work of the disabled worker? (p. 157)

In the follow-up administrative inventory in 1995, we said:

While a great deal of divergent opinion exists among consultants, managers and worker advocates, the issues appear to center around whether the WCB's mission is to provide services to injured workers to enhance "employability," or to focus on "placement" and the return to actual employment." (p. 150)

This confusion has now been largely eliminated. The clear focus of vocational rehabilitation is: first, to return the injured worker to the pre-injury or other employer, in a different or modified job if necessary; and second, to seek to develop employability only when the first objective cannot be achieved. Thus, the primary goal is employment, with employability as a secondary goal when the primary goal cannot be achieved. These practice guidelines are set forth in the *Vocational Rehabilitation Services Procedure Handbook* at 060-001 through 010.

In addition, this concept is firmly embedded in the new *Case Management Conceptual Model*, which is currently undergoing field testing in the Prince George area office. According to the planning document:

Another key concern of the current system is its effect on achieving a successful RTW for injured workers. Sequential claims processing prolongs the duration of claims. Studies have shown that the chances for an injured worker returning to productive employment significantly diminish over time. Therefore, reducing the duration of claims is an important goal. (p. 4)

As indicated earlier, this change in focus is not unique to British Columbia. The emphasis on return to work has become commonplace among well administered WC systems in North America in the last few years.

Most importantly, our interviews with Vocational Rehabilitation Consultants at the WCB revealed a clarity of understanding of this hierarchy of goals that was very reassuring, particularly given the confusion apparent in both 1991 and 1995 over this same issue. This seems to be one critically important practice issue where consistency has been achieved during the past two years.

## Income Continuity (Code R) Payments

These payments were initiated in 1987 in response to a Commissioner decision G35 (Decision 320) that eliminated payment of temporary disability (wage loss) benefits after the injured worker's condition had stabilized. It resulted from the interpretation that such payments were illegal under the Act since the worker was no longer temporary disabled. Because of the practical difficulty of setting a permanent pension benefit immediately upon medical plateau, Code R payments were designed to carry the worker through to the point where the permanent pension could be determined and implemented. In British Columbia, this process can be quite lengthy because of the dual approach to benefits for permanent disability. The worker generally must be assessed for both functional impairment and for estimated future wage loss. As described elsewhere, the worker gets the higher of the two pension benefits.

The Vocational Rehabilitation Consultant conducts the Employability Assessment to support the Loss of Earnings (LOE) pension award. This consists of determining those jobs that are "suitable and reasonably available" to the injured worker, perhaps after the completion of some retraining, relocation or other rehabilitation intervention. The LOE pension benefit is then based on the difference between this "hypothetical" labour market outcome and the pre-injury earnings level. In cases where the individual refuses to cooperate with the rehabilitation plan (in the opinion of the VRC, subject to appeal), the hypothetical earnings are treated as fact and the person is "deemed" to be capable of this earnings level. It is obvious that these decisions are very contentious and can have a sizable impact on the level of the LOE pension.

Code R benefits have had a checkered history at the WCB, presumably as a result of practice variations among Vocational Rehabilitation Consultants. There was an internal audit study of Code R payments in 1992 that showed significant deviations from policy among a sample of over 500 such claims, presumably because of inconsistent practice within the Vocational Rehabilitation Services Department. It also showed that less than half the Code R payments were eventually recovered from permanent pension awards. Thus, the internal audit showed that the delays in making permanent pension determinations (from multiple sources) were imposing significant benefit costs through the mechanism of Code R payments.



Since the permanent pension benefit is typically less than the temporary wage-loss benefit (because most permanent disabilities are less than 100 percent, while most temporary disabilities are total), the longer the Code R benefit is paid (at the temporary wage-loss benefit level) the greater the discrepancy between the dollar total under the two different benefit levels. Of course, the WCB does not seek to recover “excess” payments that arise in this manner. Thus, delays in setting the permanent pension level lead inevitably to additional costs for the Fund. On the other hand, if the process of setting the permanent pension level can be accelerated, the “excess” payments can be avoided.

Both the 1991 and 1995 administrative inventories showed that income continuity payments had moved up and down irregularly following their origin in 1987. Expenditures rose to \$3.7 million in 1988, declining to \$2.9 million by 1990 before soaring again to \$6.9 million in 1992. After another decline in 1993, Code R payments rose in 1994 to \$8.5 million and then retreated to \$7.5 million in 1995. In 1996, Code R payments declined to below zero (-\$243,270), for reasons that will be discussed below. It is worth noting that this decline of \$7.8 million in Code R payments from 1995 to 1996 accounts for nearly half the total reduction of \$17.9 million in vocational rehabilitation expenditures over the same period.

During 1995 and 1996, an internal debate took place within the WCB over the subject of the proper handling of Code R benefits. It was apparently initiated by a policy analyst who became convinced that the routine practice of extending Code R benefits to clients awaiting pension determinations, regardless of vocational rehabilitation status, was illegal. This internal debate culminated in a decision to make a specific change to the *VR Handbook* that was promulgated in September 1996 (RPH 090-010). This change in practice meant that the Code R benefit, instead of being set at the temporary wage loss benefit level, would be set at the estimated permanent LOE pension benefit, generally significantly lower.

Thus, the Vocational Rehabilitation Consultant gives immediate effect to his or her Employability Assessment by implementing a Code R benefit based on the hypothetical (deemed) earnings that have been assigned. It is this specific change which is the subject of labour’s outrage. Rather than continue weekly wage loss payments at the temporary disability benefit level, the WCB is moving immediately to lower weekly payments to the estimated

pension level, unless the individual is participating in vocational rehabilitation activities. This is defended on the grounds that it promotes a return-to-work orientation and “brings the injured worker back to reality” more quickly than the old income continuity policy. However, there is no question that it is a reduction in benefits that would have been received by particular injured workers.

This practice has a dual impact on the expenditure levels of the Vocational Rehabilitation Services Department. In the first instance, the Code R benefit will generally be lower than before, resulting in a direct reduction in expenditures. In addition, when the permanent pension award is set, the WCB pays this benefit retroactive to the end of the temporary disability period. As mentioned above, when Code R benefits were paid at the temporary wage loss level, the retroactive permanent disability benefit nearly always fell short, sometimes very significantly so, of covering the Code R payments. However, with the revised practice, the permanent pension retroactivity is more likely to cover the Code R payments.

In fact, net Code R benefit payments were actually negative for fiscal year 1996 (-\$243,270) compared with \$7,535,527 for fiscal year 1995. This swing of nearly \$8 million in expenditures in one year’s time has certainly caught the attention of the stakeholder communities. However, the actual impact on benefits paid to workers is much less, as the combination of the accelerated employability assessments in 1996 (up 84 percent) and the new lower Code R payments meant that more money was recovered from permanent pension awards during the year on older cases than was paid out to new cases. WCB management anticipates that Code R payments have now been reduced to approximately a break-even basis for the indefinite future.

### Deeming

A related issue, because they both emanate from the Employability Assessment performed by the Vocational Rehabilitation Consultant, is the “deeming” of jobs for permanent pension purposes. In those circumstances where the claimant has not returned to work at the time of fixing the permanent loss of earnings pension level, it is necessary to come up with an estimate of potential earnings. Otherwise, there would be no loss of earnings basis for setting

permanent partial disability payments. There would only be the functional impairment as the basis of compensation. So the practice of deeming jobs has evolved in British Columbia, as it has in many other jurisdictions in North America.

The problem is that deeming not only requires estimating the effects of the permanent impairment, but also the labour market implications of that impairment. Further, the VRC is required to assume that the “appropriate” vocational rehabilitation intervention has been completed, even where the injured worker is not cooperating with vocational rehabilitation efforts. In essence, the VRC is required to use his or her Employability Assessment, which should be the basis for a vocational rehabilitation plan designed to assist the worker in recovering from the effects of the disability, to determine the worker’s permanent pension level. Further, under the Code R policy discussed above this decision must be implemented by the VRC immediately following the Team Meeting to review the circumstances of the case.

In our 1995 administrative inventory, we said:

While there is certainly a legitimate need for such a procedure in cases of last resort, significant potential exists for over-use of the “deeming process” in situations where the policy focus is on developing employability rather than actual placement (particularly in the absence of clear standards and expectations). (p. 150)

This would be even more true today given the changes to Code R practice just described. Fortunately, as discussed earlier, the vocational rehabilitation focus between placement and employability has been clarified since that time. However, the fact remains that doing an Employability Assessment for the purpose of setting a permanent pension level puts the VRC in a difficult position.

While the VRC tends to think of him or herself as an advocate for the injured worker, the use of the Employability Assessment in adjudication of the permanent pension creates a significant tension. The VRC must choose between: (1) aiming high for the claimant’s recovery and rehabilitation goals; and (2) aiming low for the purpose of justifying a larger permanent pension. The artificial nature of this exercise to determine “suitable and available” jobs also creates considerable opportunity for differences of opinion. Fundamentally, it is the VRC’s professional judgment that the claimant could complete the vocational rehabilitation

plan and secure the deemed employment, but it is not a fact. Obviously, this is an area rife with opportunities for disputation.

Critics of the deeming practices of the WCB assert that: (a) the deemed jobs are sometimes not available at all in the local labour market; (b) the deemed jobs may not realistically be available to the particular workers; and/or (c) that the training or other preparation required for the deemed job is unattainable for the particular worker.

The deemed jobs may in fact not be available, since it is obviously much easier to determine that there is a significant level of employment in a given occupation in a local labour market than it is to find such a job for a particular worker, who also happens to have a permanent impairment. On the other hand, requiring that the particular worker actually obtain the job would mean that: (1) pensions could not be finalized until the individual was actually placed in a job; and (2) that the level of pension payments would probably have to vary with the earnings level, thereby making permanent pension benefits subject to all the vagaries of the labour market. That is why a “pure” wage loss system is generally not thought to be administratively feasible, and why those North American wage loss systems that do exist have developed supplementary institutional arrangements for compensating permanent partial disabilities (see Berkowitz and Burton, 1987).

In addition, it is asserted by critics that the Employability Assessment does not always demonstrate the sensitivity to the worker’s individual circumstances that is desired. There is a feeling that the WCB, and the VRC in particular, is far too anxious to just pull an unskilled job “off the shelf” and deem it as appropriate and available. On the other hand, if the VRC is convinced that the worker has no intention of going back to work, what is the point of investing a lot of time and effort in developing a realistic re-employment option?

The deemed jobs may not realistically be available to the individual. Again, it is easy to be critical when the match does not seem to make sense. This could be due to the VRC not fully understanding the requirements of the job, not being fully conversant with the nature of the impairment, or simply not taking the time to find an adequate match between the two. On the other hand, some impairments are very difficult to accommodate, and all VRCs cannot be expected to have encyclopedic knowledge of the world of work.

The training or other requirements of deemed jobs also may be unrealistic for individual injured workers. This is not surprising given the wide range of impediments to labour market success; poor English language skills, remote location, limited ability to absorb training, difficult personality problems, etc. Thus, in the abstract, any Employability Assessment could probably be made to look inappropriate.

If the worker is not cooperating, there is a further difficulty. The WCB's vocational rehabilitation process depends on worker input and commitment. The VRC cannot really be expected to develop enthusiasm for a vocational rehabilitation and reemployment plan on his or her own. In addition, after the passage of time and changed circumstances, an earlier reemployment plan may come to look quite hopeless. Nevertheless, the deeming process freezes these plans in time and does not permit subsequent adjustment, absent some change in the nature of the disability.

In sum, deeming is inaccurate, impersonal, and overly demanding of professional judgment from the VRC. It is highly dependent on subjective interpretations of suitability and availability of employment and the capability of the injured worker. However, it also makes the dual pension entitlement system feasible, and much like workers' compensation as a whole, constitutes a system of administrative justice that is somewhat imprecise, but reasonably effective and economical to administer.

As indicated earlier, the number and proportion of claims that are deemed seems to be rising. It is difficult to determine whether this is due to a change in practice, or just to cleaning up the backlog of Employability Assessments. While we have no concrete evidence of this, it wouldn't be surprising if the backlog included more than the usual proportion of "difficult" cases from a vocational rehabilitation perspective. Thus, running off the backlog might involve a higher proportion of cases where deeming turns out to be necessary to resolve the situation.

Worker advocates also assert that more cases are being appealed to the Workers' Compensation Review Board over these issues. The *Chair's Annual Report, 1996*, for the WCRB confirms that the total number of filings are up over 50 percent since 1994. It also says, "The major increase in appeals proceeding to adjudication have been in the areas of claims denied, disability pensions, and rehabilitation issues." (p. 14) While the statistics at the

WCRB are somewhat sketchy, it does seem clear that there is increased appeal activity around these issues. This in turn appears to reflect the changes in WCB practice that have been described here and the reactions to these changes by injured workers and their advocates.<sup>15</sup>

#### Role of the Vocational Rehabilitation Advisory Council

The WCB Vocational Rehabilitation Services Advisory Council was appointed in 1993 “... to act as an advisory body on matters affecting the delivery of quality vocational rehabilitation to workers in British Columbia.” (Board of Governors, Terms of Reference, Vocational Rehabilitation Services Advisory Council, January 22, 1993) The terms of reference specifically state that the VRAC is not a policy making or decision making body, but is designed to facilitate communication with stakeholder groups. Membership on the Council includes three members from employer interests, three members from labour interests, and three members from the vocational rehabilitation public interest sector. All are appointed for two-year terms by the Vice President of the Compensation Services Division. The Director of Vocational Rehabilitation Services serves as Secretary to the Council, and the VP of Compensation Services is an ex-officio member of the Council.

We have talked with a number of members of the Council and have reviewed the minutes of their meetings during 1995 and 1996. The picture that emerges from all sources is the same. This group never developed an appropriate mission, and never contributed significantly to the performance of the Vocational Rehabilitation Services Department or the Compensation Services Division.

The dynamics of the group were allegedly impacted by some personal histories and personal agendas that were difficult to overcome. Some members apparently had a direct business interest in vocational rehabilitation activities by the WCB, which complicated deliberations. However, the members of the VRAC themselves assert that they had a good group dynamic and it was a lack of interest on the part of the WCB that led to their ineffectiveness.

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<sup>15</sup>However, our interview with WCRB personnel in March 1997 did not reveal awareness of any particular increase in appeals over vocational rehabilitation matters.

It is alleged that the VRAC was not provided with appropriate information nor consulted in advance about major policy considerations or administrative changes. Meetings were scheduled without sufficient advance notice or preparation; minutes of meetings were late in arriving and were very sketchy when they did arrive. Top management of the WCB apparently did not demonstrate their interest in the deliberations of the group. In short, it appeared to the members of the VRAC that the WCB did not value their input.

No doubt it was awkward for the VRAC when the Vocational Rehabilitation Services Department was eliminated in 1993. The changes in WCB governance and Departmental structure over the past two years have also been distracting. However, it seems clear that there is a need for a consultative group that could both represent stakeholder interests internally and serve as an advocate for vocational rehabilitation externally. If the VRAC had been appropriately used in the past two years, some of the policy questions plaguing the Vocational Rehabilitation Services Department today might never have arisen.

With this background in WCB vocational rehabilitation policy and performance, we move next to the specific assessments called for in the terms of reference for the study.

## **IV. ORGANIZATIONAL AND PRACTICE ISSUES**



#### IV. ORGANIZATIONAL AND PRACTICE ISSUES

In this section of the report we will provide our principal findings and observations in relation to the three objectives specified in the Terms of Reference for the follow-up study. As indicated earlier in this report, the objectives are as follows: (1) to determine whether and to what extent the structural changes to the Vocational Rehabilitation Services Department have addressed the organizational problems identified in the Upjohn Institute Administrative Inventory in 1995; (2) to assess the degree to which official WCB policies on vocational rehabilitation are currently being implemented by the Vocational Rehabilitation Services Department; and, (3) to measure the progress of vocational rehabilitation services against the relevant attention points of the 1995 administrative inventory. For the purposes of clarity, these objectives will be addressed separately in this section of the report, even though there is obvious overlap among these areas.

##### Impact of Organizational and Structural Changes

As noted in the 1995 administrative inventory, the overall situation in vocational rehabilitation which we observed during our five-year follow-up study was very bleak. Although specific concern and attention had been given to issues related to the role of the Vocational Rehabilitation Consultant (VRC) and the level of management support (e.g., clinical supervision and ongoing training) provided to these professionals in the claims units and area offices in the 1991 administrative inventory, the situation had further deteriorated upon our return in 1995.

Compounding these original problems were two initiatives undertaken in 1992 and 1993 regarding the decentralization or geographical specialization of the claims units and the implementation of a single Client Service Manager within each of the Service Delivery Locations (SDLs). It should be noted that neither of these two initiatives were fully implemented in accordance with the original models, which we believe also contributed to the

developing problems. The net result of these structural changes, as indicated in the 1995 administrative inventory, was the implementation of a blended structure (claims and vocational rehabilitation) without any technical support for Vocational Rehabilitation Consultants within the SDLs. It was also at this point that the Vocational Rehabilitation Services Department was dissolved and the entire professional infrastructure supporting vocational rehabilitation services ceased to exist at the WCB.

At that time we noted that these management and structural changes clearly had contributed to a general loss of focus and morale among the VRCs, a significant and sustained increase in spending patterns without any noticeable impact on positive outcomes, and what was generally perceived to be an overall decline in the quality and accountability of vocational rehabilitation services provided to injured workers. By early 1995, the problems experienced as a result of the lack of structure, oversight, and support for vocational rehabilitation services were recognized by the WCB, and a decision to reinstate a centralized department and management structure in support of vocational rehabilitation services was implemented.

#### New Management Structure

The new department and management structure for vocational rehabilitation services adopted in 1995 consisted of a Director, who reports to the Vice President of the Division, three Senior Level Managers, seven Front Line Managers, 95 Vocational Rehabilitation Consultants, two Project Officers, and a support staff which included 10 Vocational Coordinators and eight Case Assistants. The majority of VR Managers, regardless of their geographical responsibilities, were located at the WCB Richmond main facility, as were the majority of VRCs. Two of the VR managers had responsibility for the area office SDLs, which cover all but the lower mainland of the province.

Before moving on to the specific initiatives implemented under this new management structure a few comments are in order. First, it should be noted that the implementation of the VRS Department within the matrix management structure of the SDLs effectively meant that management responsibilities were shared between the SDL Client Services Manager and the VR manager. To this extent, the VR Managers' responsibilities were focused on the clinical

supervision and oversight of the vocational rehabilitation services rendered by the individual VRC, while the Client Services Manager held the responsibility for the overall operational management of each SDL, including resources important to the delivery of VR services. For example, as the model was implemented it was clarified that the Case Coordinators and Case Assistants would fall under the supervision of the Client Services Manager. This has resulted, over the past two-year period, in some resource allocation and distribution problems that have impacted service delivery to some extent.

Secondly, in fairness to the assessment of the effectiveness of the new VRS Departmental structure in addressing organizational problems, it should be recognized that the original structure planned in 1995 was never fully realized. For example, in the original model there were three senior level manager positions responsible for the majority of administrative and developmental work associated with the new Department. This would allow the seven front line managers to concentrate their efforts on clinical supervision and oversight of VR services. During the last two years there have never been more than two senior management positions occupied, and as of March 1997 there is only one such senior level manager in place. The failure of adequate staffing at this level of the structure has placed a very heavy burden on the individuals in these positions and appears to have impacted their ability to fully operationalize the initiatives designed to comprehensively address the problems identified in the 1995 administrative inventory (AI).

#### Management Initiatives and Interventions

The new VRS Department and management structure was formally implemented in June of 1995. Given the fact that there was virtually no structure to provide supervision over the preceding two-year period, combined with the limited experience of a number of VRCs (e.g., 43 percent with less than three years tenure at that time), meant that systematic clinical supervision, ongoing training, and quality assurance were critically deficient. We reported in the 1995 AI that the lack of supervision, oversight, and accountability during this period appeared to have a very detrimental effect on the performance and morale of VRCs in the field.

Many consultants we spoke to at that time indicated that they had not had a performance evaluation in the last two to three years, and were uncertain what the performance expectations actually were. We reported that most consultants identified a sense of professional isolation within the SDLs that contributed further to a sense of confusion, lack of direction, and lessened confidence that they were practicing in accordance with expected guidelines. One of the first tasks undertaken by the new management group in the summer of 1995 was a comprehensive assessment of the problems that they were facing. This initial assessment, which was accomplished through case reviews and discussions with VRCs at the line manager level, provided verification that the problems were critical and even more serious than originally anticipated.

Two of the areas which we felt were most critical to turning the situation around in the VRS Department were identified as attention points in the 1995 AI. We indicated that the Department needed to develop clearer guidelines, expectations, and standards of practice regarding the provision of services and that further, it was imperative to increase the level of clinical supervision provided to each VRC in order to remediate any specific problems and ensure consistency of practice, particularly as the department clarified practices and expectations of the VRCs.

The initiatives undertaken by the VRS Department to address these difficult and complex issues began with a series of meetings of the entire management group (Director, Senior Managers, and Line Managers) to carefully review existing policy and practice guidelines, including Chapter 11 of the Rehabilitation and Claims Manual and the Vocational Rehabilitation Services Procedure Handbook. This process was designed to achieve a high level of consistency in policy and practice interpretation by the new management group prior to interacting with individual VRCs. It should also be noted that this process served to identify areas where additional clarification in practice was required in order to fully operationalize policy. The management group would later re-visit these issues and develop specific practice directives and clarification on a number of important concerns (e.g., Code R, preventative rehabilitation, business start-ups).

A series of intervention and support activities were then undertaken by the new line

managers with their respective VRCs. The focus of these initial activities was to clarify expectations, establish a stronger foundation of skills and knowledge of existing policy, and return to the basics in relation to the case management process and the role and function of the VRC in the delivery of vocational rehabilitation and return-to-work services. Besides individual case reviews and the provision of clinical supervision to consultants, weekly case conferences were also used as a means of exploring difficult and complex case issues and to try out potential solutions through discussion and brainstorming where all VRCs worked together.

In addition to problem cases, VRCs were also encouraged to bring issues that were problematic or required clarification by management to the regularly scheduled weekly meetings. Some of the issues which emerged through this process were then brought to regular meetings of the management staff where the issues were reviewed for clarification and guidance. Finally in this area, the Department reinstated the annual performance evaluation for each of the VRCs. This mechanism, which is tied directly to individual performance, clinical supervision, and oversight provided a needed level of accountability that had been missing in the delivery system for some time.

Another area which was addressed to some degree by the management group relates to the establishment of guidelines for the provision of services, expected length of support, and eligibility for various benefits. One of the first changes made to the system was the budgeting process for individual rehabilitation plans. Previously there were various mechanisms in place for the review and approval of plans based on the amount of money projected to be spent in carrying out the rehabilitation plan. While some of these are still in place, approval of plans by managers is now primarily guided by the length of time of the case.

Specific activities (e.g., review of the file, initial assessment, development of the rehabilitation plan, employability assessments) that should be carried out with each case within certain expected time frames have been identified to assist VRCs in accomplishing case management activities in a timely manner, according to departmental guidelines. These guidelines were distributed to VRCs as performance and client service expectations.

Guidelines have also been developed to help support the VRCs' decisions on length of support required for various services. For example, in relation to the amount of job search

allowance provided to injured workers seeking employment, the VRC now consults the figures provided by Statistics Canada, which provide current data on the average amount of time by age group it typically takes someone to secure employment in a specific occupation. This information is then used by the VRC, in consideration with other specific barriers to re-employment, to identify the amount of support that should be required.

In a series of initiatives to clarify policy and provide needed guidance for VRCs a number of important practice areas were addressed. First of all, return to work or a focus on employment rather than employability was stressed throughout the Department, within the strategic plan, and emphasized through individual clinical supervision provided by the line managerial staff as the first priority of the Department. Secondly, a number of problematic issues were reviewed and new practice directives developed to assist VRCs in their decision making and planning with individual clients. Examples of these issues include the new guidelines established for the use of income continuity benefits (Code R) and the appropriate use of preventative rehabilitation approaches; also the requirements of active client participation and the existence of a permanent functional impairment (PFI) as preconditions for services from the Department.

Finally, although separately covered later in this section of the report, the Department also initiated a number of enhancements that addressed some of the other organizational problems identified in the 1995 AI. These initiatives included the redesign and upgrading of the statistical system to monitor outcomes and caseload activities, which enhances the ability of management to monitor outcomes and the pattern of activity within caseloads. In addition they upgraded the knowledge, skills, and abilities (KSAs) required in the official VRC position description and implemented various professional development initiatives including the provision of in-service training and the promotion of professional identity through the financial support of professional memberships and certification.

#### Impact of Management Initiatives and Interventions

The impact of the various initiatives and interventions introduced by the new management structure was clearly evident upon our return visit in 1997 to conduct the present

follow-up study. In less than two years, significant change has occurred in some of the most critical areas previously identified as serious organizational problems. This was most evident in the comments we received during the interview process, and was further verified through a review of documentation, individual case files, and analysis of the changes in case expenditures and outcomes related to the provision of vocational rehabilitation services at the WCB.

VRCs and management personnel alike consistently expressed the view that the new structure and clinical supervision model (by front-line management) introduced in 1995 has had a very positive effect on the morale and overall functioning and effectiveness of the Department. This model of clinical supervision and oversight appears to have provided a more consistent approach to casework. It also provides a regular forum for VRCs to continue their professional development through weekly interactions with supervisors and other VRCs, where support, clarification, and additional technical expertise are applied to individual cases.

Line managers commented that never before had there been the time available to address individual problems as within the clinical supervisory model. It appears the key to the impact of this approach was relieving these managers of other administrative duties, which were then handled by senior level management, in order to provide the time and exclusive focus on the direct provision of regular clinical supervision to the VRCs. In addition, the new statistical system made available during this time frame to monitor outcomes, patterns of services, and the status of individual VRC caseloads has greatly facilitated the work of the line managers in their assessment and oversight responsibilities for the VRCs they supervise. Also contributing positively to this process was the reinstatement of the annual performance appraisal for each of the VRCs. This Performance Plan was seen by both VRCs and Managers as an important addition to the process.

Progress is also evident over the past two years in the development of clearer guidelines, expectations, and standards for the provision of vocational rehabilitation services. Return to work has become the first priority of the Department and all VRCs and Managers we spoke to talked consistently about this focus. The impact of the initiatives undertaken by the new management structure is also evident in the outcomes achieved by the Department. Over the past two-year period, return-to-work rates are increasing, expenditures are decreasing, and

services are being rendered in a much more timely manner.

Finally, it should be recognized that although a significant amount of effort has been devoted to resolving some of the organizational problems, these efforts and the subsequent progress achieved should be viewed as a beginning step in the process of establishing more consistent and effective services at the WCB in their return-to-work efforts for injured workers.

### Consistency in the Implementation of Policy in VR Practices

One of the clear concerns that prompted this study of the VRS Department was that practices employed by the VRCs in carrying out their role with injured workers were not consistent with officially approved policy of the WCB. We believe, after our review of the system and the various initiatives that the Department has implemented, that this is actually less of a concern today than it was in 1995.<sup>16</sup> As a result of the clarification of focus (return to work), the development of clearer expectations of VRC performance (standards and guidelines), and the work devoted to the uniform implementation of policies and practices over the past two-year period, our review reveals that significant and measurable gains have been made in this area. While there may be some disagreement with the interpretations made by management in relation to distinctions between policy and practice (see Section III of this report), these management decisions are generally being implemented consistently at the VRC level.

In our review of this particular issue, we interviewed a number of VRCs and members of the department management staff (see Appendix) to assess their level of understanding regarding the interpretation in practice of various policies which guide the provision of vocational rehabilitation services rendered by the WCB to injured workers. These interviews provided evidence that there was a consistent perspective developing among managers and

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<sup>16</sup>This does not mean that we are discounting the concerns of system critics, particularly concerning the vocational rehabilitation policies of the WCB. We are asserting that the policies that have been laid down are being implemented more uniformly than they were in the 1993-95 period.



VRCs regarding case management practices and individual case decisions. Changes and clarifications made in the provision of vocational rehabilitation services over the past two years have also been included in a new edition of the VRS Procedures Handbook, which is presently being re-drafted.

In addition, we independently reviewed 25 case files drawn at random that represented cases that were active at some point during the period from summer of 1995 to the present. These case files were randomly selected from all the SDLs in the Province. Our limited case review suggests that the quality of the documentation and the adherence to policy and standards would be seen as adequate. In a few of the cases reviewed there were substantial problems noted in relation to decision-making authority and the proper use of procedures and practices. In other cases, there were problems noted in relation to poor judgment or simply not thinking through potential actions or plans before decisions were rendered by the VRC. Overall, however, we saw no evidence that indicated significant generalizable problems in relation to practice and its consistency with officially recognized policy for vocational rehabilitation services at the WCB.

Moreover, there were a number of situations which made it clear that the newly initiated process of clinical supervision and oversight was working. For example, there were a few cases where the line manager or senior level manager made some substantive suggestions to the VRC and corrected some inappropriate actions that were being planned. It should be noted that our case review process was somewhat cursory, due to time limitations. However, it provided us with another vantage point to check the consistency of practice within the vocational rehabilitation area.

It should also be recognized that the present system and the policies that guide the delivery of vocational rehabilitation services provide some real challenges and barriers to achieving a high level of consistency on a case by case basis. This is due to: (1) the discretionary nature of the program; (2) the complexity of the disability-related issues and the other variables that interact with the process; and (3) the highly heterogeneous population of VRCs in relation to background, training, and current expertise. Although consistency of approach and adherence to policy are critical to the overall fairness of the system for injured

workers, there needs to be some room for individualization of the process and creativity in resolving the complex problems that face the injured worker and the VRC as they plan and implement services to effect a timely return to work, or other positive outcome.

For these reasons it is imperative that there continue to be a firm commitment to the level of clinical supervision and oversight of case management practices and outcomes that has been initiated over the past two-year period by the VRS Department. While some progress has been made, additional work is needed including further refinements to the system, the development of additional guidelines and standards of practice, and individual work with VRCs to develop higher levels of professional competencies. While we were in the process of conducting the present follow-up study there were discussions of returning to a more generic or blended management approach within the SDLs. This issue was of great concern to the management and VRCs within the VRS Department. We believe returning to this type of management and supervisory approach within the vocational rehabilitation area could be extremely damaging to the fundamental gains made over the past two years and have the potential to return the system to some of the critical problems experienced prior to 1995.

#### Progress on Other Attention Points from the 1995 AI

The third objective of the present study was to follow up on progress made on the specific attention points identified in the 1995 administrative inventory in the area of vocational rehabilitation. The preceding sections of this report have dealt primarily with two of the attention points related (1) to the development of clearer guidelines, expectations, and standards of practice regarding the provision of services and (2) the need for increased levels of clinical supervision and technical support for VRCs. These will not be repeated here, however, the remaining seven attention points will be discussed in relation to how the VRS Department has addressed these concerns and what progress, if any, has been made to date.

## Professional Development Focus

**Attention Point:** Implement a professional development focus within the VRS Department that addresses the continuing educational needs of practicing consultants in the field in order to upgrade their knowledge and skills in providing services to injured workers. Also, develop continuing educational programs for new management staff to develop additional management and supervisory competencies.

Clearly there has been some fundamental progress made by the Department in addressing this area of concern. During the past year a workshop committee was established to identify potential content areas for VRC in-service training workshops. In December of 1996, the first two-day professional development workshop was sponsored by the Department and attended by all VRCs. The topics explored included job placement, labour market trends, duty to accommodate, conflict resolution, vocational testing, limitations of compensation, disability management, and cross-cultural communication. This marks the first time in several years that any professional development training has been designed and provided for the VRCs and management staff. The workshop evaluations indicated that the training was viewed as effective. Another workshop was also sponsored by the WCB in collaboration with the National Institute for Disability Management and Research, titled "New Frontiers in Worksite-Based Disability Management for WCB Professionals." Given the complex nature of the work that VRCs perform and the limited formal education that is available in British Columbia to adequately prepare them for the demands of their professional role, we would highly recommend that this commitment to continuing education and training continue at the WCB.

Other initiatives which have impacted the developing professionalization process within the Department include the upgrading of the KSAs associated with the job description of the VRC, the reinstatement of the annual performance appraisal process in the form of the Performance Plan, and the ongoing clinical supervision and training provided by the line managers to VRCs. Additionally, the Department has acknowledged the importance of professional organizational memberships and certification through the Canadian Certified Rehabilitation Counselor (CCRC) credential by providing financial support to VRCs to cover the costs of either membership or certification.

Although there were some very important steps taken during the past two years to address the professional development needs of VRCs, there was no progress or activity in providing the management staff with continuing education relative to their roles. As is typical in most organizations, managers are promoted because of their expertise at the service delivery level but typically do not possess any formal training to support their new supervisory or management responsibilities. This is certainly true within the VRS Department and future attention to these issues is recommended.

### New Models of Service Delivery

**Attention Point:** Develop and test new models of service delivery (e.g., case management model) that enhances early intervention, attachment to the workforce and return-to-work outcomes consistent with emerging disability management principles.

Significant work has been accomplished in relation to these issues within the context of the new Case Management Model. This area will be specifically addressed in a later section of this report on new initiatives. In addition, there appears to be a growing awareness of the importance and potential of including disability management principles in the VRCs' approach to return-to-work services and their contact with the employer community. As indicated above, workshops have been sponsored and information has been made available to VRCs to increase their general knowledge in this area. Nevertheless, although there are exceptions throughout the Department, VRCs continue to spend the majority of their time at their desks, rather than in the field or at employer sites pursuing early interventions and outcomes more consistent with disability management principles.

### Program Evaluation System

**Attention Point:** Design a program evaluation system that provides meaningful management information on both process and outcomes related to the delivery of vocational rehabilitation services. Multiple performance indicators or measures need to be developed and longer term follow-up mechanisms should be established.

This attention point has only partially been addressed. However, the work that was accomplished to provide more valid and reliable data on closures and caseload patterns is a noteworthy improvement. The Rehabilitation Performance Management System (RPM) is a stand alone “runtime” version of the MS Access System designed to collect statistical data for the VRS Department. The system was implemented approximately one year ago. The RPM, in conjunction with the mainframe Bring Forward System, replaced the Case Management System previously used by the Department.

The new system provides a number of reports that are felt by managers to be very useful. These include individual caseload reports and separate reports available on open and closed cases for each VRC. SDL summary reports available from the system include office caseload reports, vocational coordinators’ reports, summary reports on open and closed cases, and monthly performance reports. Clearly this system is an improvement over the very basic system that was in place prior to 1996.

Other areas identified in this attention point were not addressed; namely, the development of multiple performance measures and the establishment of longer term follow-up mechanisms to determine if the benefits of VR services (e.g., return to work) were sustained over time.

### Technology and Software Tools

**Attention Point:** Provide the VRC with additional technology and software tools required to provide effective services. For example, VRCs should be able to access transferable skills analysis and job matching software among other resources.

While there has been some activity to develop solutions to the lack of technology and software tools available to the VRC in the performance of their roles, there have been no new tools or technology provided to the VRC to date. Two initiatives, however, are worth mentioning in relation to technology related assistance that could be provided the VRCs in the performance of their jobs. One system, REHADAT Canada is a CD-ROM based information system developed in Germany, that is designed to collect information and make it available to users regarding successful vocational solutions to specific disability related issues. This is done

through a case study approach, where real case studies are entered into the system. VRCs who have complex cases could access the system to review what has been done in similar cases that were successful, in order to suggest possible alternatives to pursue with the client. Currently the Department is participating in the development of the REHADAT Canada database for future use.

The other system that is presently under development within the Department is the Labour Market Research database. This database includes the collection of labour market and wage rate information by occupation and employer that would greatly assist the VRC in completing the Employability Assessment. Many VRCs talked about this need and indicated that there is much duplication in researching occupations and other labour market information. More importantly, once this information has been assembled and used to generate reports or plans, it is not available to other VRCs. This project appears to have the greatest immediate utility for the VRCs and we would recommend that it be implemented at the earliest possible date. Clearly, more attention and capacity building needs to take place in this area in order to provide basic tools for VRCs in working with clients.

#### Additional Resources - Career Re-Direction and Job Search Program

Attention Point: Establish additional resources for the Career Re-Direction and Job Search Program, in order to provide a comprehensive array of employment resources for VRCs and injured workers. Certain types of data and information could be made available to VRCs through this resource via computer network.

There has been no discernible attention or actions taken on this particular issue during the past two-year period, with the exception of the administrative transfer of the program to the Rehabilitation Centre. Given the plans of the VRS Department to develop a network of referral agreements with outside agencies to provide these types of services within the community, the future utilization of this resource in its current form appears uncertain.

## Additional Service Capacity - Referral Relationships

**Attention Point:** Develop additional service capacity and referral relationships in the community to address injured worker service delivery needs. This is a more critical issue in the area offices, however, guidance in terms of how relationships are established and monitored would be very helpful. It is recommended that the process utilized by the Rehabilitation Centre in developing, evaluating, and monitoring its referral network throughout the Province be used as a potential model for the VRS Department.

Prior to the implementation of the current management structure, VRCs were extensively utilizing (some would say over utilizing) outside referral sources in the delivery of services, particularly placement services. Questions about the effectiveness and appropriateness of these relationships were raised. In response to these concerns, new guidelines were implemented in 1995 regarding the use of outside contractors by VRCs. These procedures were intended to formalize these arrangements through contracts with the WCB and with specific and careful attention given to the qualifications of the outside providers. In addition, performance monitoring has been implemented for such contractors and benchmarks are being developed.

More recently, there have been efforts to develop a Job Finding Club Preferred Providers Pilot Project to promote greater accessibility of job finding club programs for clients served by the VRS Department within their communities. Given the focus on return to work, the development of these types of community-based resources to help facilitate outcomes is a very important first step. Although it is too early to judge the potential impact of this pilot project, it directly addresses the concerns we raised in the attention point in 1995.

## Research

**Attention Point:** Promote research efforts to provide the Department with the kind of information required to appropriately inform future policy and practice. Given the rapid changes in the labour market, demographics, and the non-compensable barriers to employment that the injured workers often present, there is a critical need to study these complex issues on an ongoing basis.

There have been no activities initiated over the past two years to address this attention point. One of the responsibilities of the third, unfilled senior manager position was to be

research activities to support practice improvements. Consequently, there has been no new research nor plans for new research that would help inform future policy and practices related to the provision of vocational rehabilitation services at the WCB. It is our understanding that the research function has now been transferred to the Program Evaluation and Research Unit within the Rehabilitation Centre.

### Summary of Progress

There is no question that on a number of attention points the new management structure of the Vocational Rehabilitation Department has made considerable progress in addressing the concerns identified in the 1995 administrative inventory. The most significant accomplishments have been in the areas of establishing clearer guidelines, expectations and standards of practice for the Vocational Rehabilitation Consultants, and in providing an improved level of clinical supervision within the Department. The consistency of vocational rehabilitation practice has been greatly improved since 1995, as has the understanding of basic performance expectations. In addition, a group cohesiveness and sense of professional mission has been restored. Areas where significant progress has been made include the creation of a professional development focus within the Department, the exploration of new models of service delivery (Case Management Project), and the development and implementation of a new statistical tracking system to assist with program evaluation efforts. While these efforts have paid off in relation to further development, each of these areas has only been partially addressed. In addition, there are a number of areas such as the development of technology and software tools for VRCs and the design and development of a referral network to address service needs of WCB clients, where there has been activity and some development, but not to the point where the objectives were accomplished. Finally, two areas which include expanding resources for the Career Re-Direction and Job Search Program, and developing a research program to support vocational rehabilitation efforts, have not been attended to over the past two years and no progress is evident.

In fairness to the assessment of progress on these attention points, we must recognize a number of important considerations. First, the new management structure has been in place for



less than two years. Secondly, the structure of the Department was never fully staffed at the senior management level. In addition, there have been significant turnover and under staffing of personnel, particularly to address research and development initiatives for the Department. Finally, it is recognized that the management group needed to prioritize their efforts, given the limitations in resources, and therefore addressed those areas where they felt the need was greatest. There is no question that additional progress on these attention points is still warranted; however, adequate resources are required to do so effectively. It is also noted that current concerns over the role of the VRCs under the Case Management Model (discussed below) and uncertainty about Divisional plans for unit management could be impediments to further progress.

## V. NEW INITIATIVES AND PRACTICE INNOVATIONS

## V. NEW INITIATIVES AND PRACTICE INNOVATIONS

Over the past two-year period there has been a significant amount of activity throughout the Compensation Services Division on various related initiatives that have the potential of producing enormous changes in practice. These initiatives are all designed to expedite claim processing and the return to work of clients served by the WCB. These large-scale initiatives include the Electronic Claim File (E-File), the Continuum of Care model, and the Case Management Project. While it is not our intent nor within our Terms of Reference to specifically review these significant initiatives, we do feel they should be briefly addressed here in order to describe the general direction of the Division and the potential impact that these changes may have on vocational rehabilitation services in the future.

### The Electronic Claim File (E-File) Roll Out

The E-File Project has been described as a strategic corporate infrastructure initiative designed to establish “a holistic information backbone” to which other corporate systems will be attached. The initiative is viewed as the basic platform from which practice innovations such as the Continuum of Care, the Case Management Project, and other initiatives can be launched and maintained. Obviously, the key component is the ability to access information that will be centralized, coordinated, and available in real time to all Board employees. This would have considerable impact within the present system of vocational rehabilitation, and far reaching value within the new initiative designed to move the Division to a Case Management model.

The Electronic Claim File (E-File) initiative dates back to 1995, with a “Proof Of Concept” system implemented at the Coquitlam SDL in November 1995.<sup>17</sup> After several months of practical experience, the WCB conducted a comprehensive management review of

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<sup>17</sup>See *The Electronic Claim File: Roll-out Review and Recommendation, 1997*.

the E-File system which included analysis of the business process change, the appropriateness of the technology application, lessons learned, and user satisfaction. Subsequently, the WCB management recommended proceeding with the implementation of E-File in an additional three SDLs, which was approved by the Panel of Administrators in July 1996. Recently, the VRS Department has had opportunities for input into the final business process re-design of the E-File Project. In March, 1997, the Panel of Administrators approved the "Roll-out" of the electronic claim file. Projections for the Board-wide implementation of the system run through the end of 1998.

### Continuum of Care

This important initiative has been designed and implemented by the Rehabilitation Centre for all claimants who receive more than three weeks of wage loss payments for soft tissue injury (sprains/strains), or more than nine weeks wage loss for a fracture. The project is about eight months old and is being pursued very aggressively by the Rehabilitation Centre. It is also planned that this initiative will be directly linked to the Case Management Project currently being tested by the Compensation Services Division.

The Continuum of Care process centers on early and intensive intervention for workers with soft tissue injuries. Phone contact is made to the injured worker three weeks after injury to solicit interest in participating in the program. A series of sequential interventions are included in this process, including work conditioning, occupational rehabilitation, and pain programs, as necessary. The intent is to get the worker with soft tissue injuries into a treatment program as soon as possible after injury in order to provide the type of activities and therapies that will facilitate a quick return to work and provide the supports to accomplish this.

To date, the preliminary results of this project look quite promising. Injured workers are returning to work on average four days earlier than before. By mid April it is anticipated that they will have the entire system set up and addressing all soft tissue injuries throughout the Province. This will be accomplished through a network of 53 providers located throughout the Province that are aligned with the project. The WCB intends to use a preferred provider network where duration, return-to-work performance, and client satisfaction will be evaluated

for individual providers and explicitly linked to acquisition of new referrals, i.e., those providers who perform the best will get the most referrals. They will continue to use the Rehabilitation Centre in Richmond as their core facility, where additional programmatic innovations will be tested prior to implementation within the preferred provider network.

A few more comments about the Rehabilitation Centre are in order here. Certainly, things have changed quite remarkably at the Centre. Since our last visit, utilization of the residence facility has dropped to around 50 percent of previous levels, although utilization of therapeutic services has continued at a high level. The WCB has been very successful in developing a network of providers around the Province, and it is believed that the utilization of these facilities has caused the more limited use of the residence. In addition, plans are being developed to modify the programs and services offered at the Centre to be more consistent with the overall return-to-work focus of the Division.

#### Case Management Project

Although all three of these initiatives are important and linked to each other conceptually and operationally, the Case Management Project (which is presently being prototyped and tested at the Prince George area office) represents the initiative which promises to bring the biggest change to the Division, and to the role of the VRC in the delivery of return to work and vocational rehabilitation services. Only in the preliminary discussion stages when we last visited the WCB in 1995, the project has moved to conceptualize the elements of the project for testing and further refinement of the model.

Prompted by the realization that the present rehabilitation and claims system could only be improved to the point which the structure allowed, this newer concept of the simultaneous delivery of claims and return-to-work services emerged as an attractive alternative to the linear, delay-plagued process of claims and rehabilitation services. Those involved with the conceptualization of the model also infused the project with more contemporary thinking related to disability management and its potential for an emphasis on work place solutions to disability problems. An excellent guiding document has been developed titled "Case Management Conceptual Model" which very specifically outlines the current thinking and

direction of this service delivery innovation within the Division.

While we would suggest that movement to this type of service delivery model has many advantages over the present system, we are also quite aware of the critical decisions that will need to be made in operationalizing the model and transitioning from the current system to the proposed Case Management model. One of the key elements within the model calls for the establishment of a new Case Manager position. This role will be the central professional decision maker within the new model and will have responsibility during the entire duration of the case, from the point of referral to case resolution. The Case Manager will coordinate the services of all other parties involved with the individual intervention team including vocational rehabilitation, psychology, medical advisors, physiotherapists, and so forth. He or she will also have primary responsibility for communication and direct interface with the injured worker and his or her employer.

As a result of the enormous potential impact of this project, we would highly recommend that it be tested thoroughly prior to its implementation, including the use of several different test sites and, perhaps, different implementation models. Careful evaluation of this experience is called for, prior to full implementation of the model. While there are many issues to work out within this new model, two issues appear quite prominent. First, the design of the specific duties of the Case Manager and the ability to identify individuals within the present WCB work force who can effectively assume such duties and responsibilities will be critical to the success of the entire project. While we were conducting our interviews at the WCB, we heard various scenarios regarding what type of individual would best fit this new position. Adjudicators felt that it was within their domain, while VRCs felt they should be the ones selected for such a community-based role. Our understanding of the responsibilities and requisite characteristics of this role leads us to believe that it would require someone with both adjudication and vocational rehabilitation knowledge and skill, as well as specific skills in team building, communication, and in understanding the employer environment. Clearly this is a very critical decision for the Division.

Secondly, as the model is introduced, the role of the VRC will also be altered quite substantially. The adjudication and management functions will be handled by the Case

Manager, leaving a clear focus on return to work and the provision of vocational rehabilitation services (particularly phases three through five) for the VRC. This will resolve, to a great degree, the “dual role” concerns that have continued to be problems for the VRC in the provision of services to injured workers in the past. In particular, the responsibility for making income continuity (Code R) decisions, which are by their nature adjudicatory decisions, would be transferred to the Case Manager. This would leave the Vocational Rehabilitation Consultant free to concentrate on assisting the injured worker with an optimal transition back to work in an appropriate capacity.

In summary, all of the above identified initiatives appear to be linked together coherently in a coherent strategy that focuses on early intervention and intensive, multifaceted service delivery in order to effect timely return-to-work outcomes. The key to their successful implementation will be the degree to which they have been sufficiently tested, evaluated, and refined and whether a sufficient foundation structure has been constructed to support such massive change within the organization.

## **VI. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**



## VI. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

In this final section of the report, we will provide a summary of the study and then present our conclusions, oriented to the terms of reference. The report will conclude with a list of attention points which we commend to the attention of the WCB, its stakeholders, and other policy makers in British Columbia.

### The Issues

Controversy has developed over whether the WCB has changed its policies regarding vocational rehabilitation, particularly since the Panel of Administrators took governance responsibility in 1995. Some labour and worker advocacy groups maintain that the stated policies of the WCB are not being implemented in the same way, or with the same degree of commitment, as they were at some earlier time. Others go further and insist that some policies have been effectively changed under the aggressive use of the policy or practice distinction.

Since there have been no significant legislative changes since 1995, it arouses the suspicions of worker advocates when the number of claims are coming down, costs have been significantly reduced, and the growth of permanent pension awards seems to have slowed or stopped. At the same time, divisional leadership at the WCB has emphasized a return-to-work philosophy for injured workers and a focus on reducing duration of disability as one way to control costs more effectively.

One of the things this review seeks to determine is whether these changes can be characterized as changes in policy, requiring the approval of the Panel of Administrators or even legislative enactment, or whether they fall within the normal range of WCB executive authority and management prerogatives.

## The Process

Our Terms of Reference call for a follow-up study to be carried out by the W. E. Upjohn Institute for Employment Research with respect to the structure and performance of the Vocational Rehabilitation Services Department of the WCB of British Columbia. There are three main objectives to this follow-up study:

- A. To determine whether the structural changes to the Vocational Rehabilitation Services Department have addressed the organizational problems identified in the Upjohn Institute administrative inventory in 1995;
- B. To assess the extent to which official WCB policies on vocational rehabilitation are currently being carried out by the Vocational Rehabilitation Services Department;
- C. To measure the progress of vocational rehabilitation services against the relevant attention points of the 1995 administrative inventory.

Thus, the study probes the current (spring 1997) implementation of WCB policies on vocational rehabilitation, with a special focus on developments since completion of our Administrative Inventory in 1995.

Our process follows that of the previous administrative inventories. First, all relevant and available documents are reviewed, followed by interviews with nearly 60 knowledgeable observers, both internal and external to the WCB. We also conducted an independent review of a small random sample of active case files, for the purpose of assessing the consistency of vocational rehabilitation practice with stated WCB policy. Finally, a draft final report was circulated to many of those interviewed in order to check the accuracy of our facts and interpretations. After receipt of comments from these reviewers, our conclusions and recommendations (attention points) were formulated.

## The Setting

Our assessment, both in 1991 and in 1995, was that the structure within which vocational rehabilitation services were being delivered at the WCB of British Columbia was playing a critical role in determining the outcomes which were obtained. We also noted that the repeated changes in vocational rehabilitation structure and policy had confused and

demoralized the staff, and contributed to problems in organizational effectiveness.

A particular problem had been introduced in 1993, when the WCB adopted a “blended” staffing plan for the Service Delivery Locations (SDL). This involved abolishing the formal structure of the Vocational Rehabilitation Services Department in favor of a matrix management model. This model provided a unified command structure for the SDLs, but left the Vocational Rehabilitation Consultants (VRC) without any technical management support for their very highly specialized functions. Further, this was implemented shortly after a dramatic expansion in staffing levels. Partly because there was no graduate degree program available in British Columbia in rehabilitation counseling, some of the new VRCs simply were not equipped to operate independently in the field, as the matrix management plan required. The result which we observed in 1995 was runaway costs and a shocking lack of consistency in the application of WCB policy in vocational rehabilitation.

In 1995, we identified the lack of clinical supervision and standards of practice as major problems which had led to inconsistency of practice. In addition, the critically deficient staff development efforts required immediate remedial action. Our sense of alarm was tempered only by the fact that Divisional management had recognized the mistakes and was moving to implement a new structure to address these critical deficiencies.

Following the turnover in divisional leadership in 1994, the replacement of the President/CEO in 1994, the realignment of the divisions in 1995, and the change in WCB governance in 1995, also came an increased focus on the financial results at the WCB. This reflected the dissatisfaction of business stakeholders with the financial performance of the WCB, and the natural inclinations of many of the new WCB leaders, as well as a number of other consequential issues. The result is that there have been a number of new initiatives at the WCB that are aimed at increasing claims processing efficiency and reducing average claim duration. These have been cited as improving organizational performance for clients as well as increasing efficiency and reducing costs.

For example, the WCB has improved its performance significantly on the paylag measure since 1993. The percentage of claims that are paid within 17 days of receipt of the claim has increased from 39 percent in 1993, to 52 percent in 1996, and over 60 percent in

early 1997. Further, average claim duration has been reduced by more than 10 percent in the last two years. These changes have clearly fed through to the bottom line at the WCB, with a reduction in total claims costs of about 11 percent in two years, to \$1.029 billion in 1996. The result has been operating surpluses in both 1995 and 1996, which have moved the WCB up to a 95 percent funded basis at the end of 1996, despite the impact of a \$400 million retrospective adjustment necessitated by a court ruling on widows' benefits. This, in turn, has justified a small reduction in WCB premium rates for 1997, after six straight years of increase.

### Vocational Rehabilitation Performance

Since 1993, the number of wage loss claims first paid by the WCB has declined by about 10 percent, however the number of new long term disability claims first paid has increased by over 20 percent. Referrals for vocational rehabilitation services declined by 20 percent from 1991 to 1993, then were relatively steady at about 9,000 per year until 1996, when they apparently declined by an additional 15 percent. This means that since 1991, the number of referrals to vocational rehabilitation services may have declined by as much as one-third at the same time that the number of long-term disability claims first paid has increased by one-third.

Critics of the WCB allege that this change reflects a tougher, cost-conscious attitude at the top of the agency, which finds its expression in the day to day decisions of adjudicators and other board officers. It is also possible that adjudicators and other officers are less likely to refer claims to the VRCs because they have a better understanding of which cases will be accepted for rehabilitation. Management of the Vocational Rehabilitation Services Department believes that the major change has been to eliminate the double counting of referrals that occurred before computerization of the system in 1995.

Analysis of WCB vocational rehabilitation expenditures by category for the last five years makes it clear that the efforts of the Vocational Rehabilitation Services Department have been re-directed to the placement mission, and away from income continuity and miscellaneous rehabilitation activities. While job search expenditures actually declined by about \$4 million between 1995 and 1996, they reached 50 percent of total expenditures in the latter year.

Income continuity has declined by over \$8.5 million since peaking in 1994, dropping from 12 percent of total expenditures to below zero. Also dropping precipitously was Miscellaneous Rehabilitation; from nearly \$13.5 million in 1994 to \$3.8 million in 1996, falling from 20 percent to 9 percent of vocational rehabilitation expenditures. Training on the job and Formal training have declined only slightly in expenditure levels, and therefore have risen as a percent of total expenditures.

The Vocational Rehabilitation Services Department also performs “Employability Assessments” as a service to Disability Awards for the purpose of setting the level for a loss of earnings pension under British Columbia’s dual system for permanent disabilities. Of course, such an assessment would also be required before the implementation of any vocational rehabilitation plan for an injured worker. One of the major achievements of the current VRS Department management is to increase the throughput and reduce the backlog of Employability Assessments. To illustrate, the number of Employability Assessments “in progress” has been reduced from 451 in February 1995 to 299 in February 1997. This in turn has aided the efficiency of the Disability Awards Department in making timely decisions on permanent pension awards. Both have effectively reduced the need for Code R payments.

Of course, all these influences find their way into total vocational rehabilitation payments. The growth in rehabilitation costs at the WCB in the early 90's was astounding, even without the capitalization of future commitments which began in 1993. Annual vocational rehabilitation payments expanded at 52 percent per year from 1990 through 1994. Unfortunately, there was no evidence of a comparable increase in outcomes. More recently, rehabilitation payments have declined by 20 percent per year from 1994 through 1996.

Since 1993, when the blended management structure was implemented and the Vocational Rehabilitation Services Department lost its professional leadership, annual vocational rehabilitation payments first grew by \$20 million and then declined by \$25 million. Overall, since 1993, vocational rehabilitation costs have declined roughly comparably to the decline in wage loss claims first paid. In other words, the situation has returned to roughly where it was in 1993 in terms of direct vocational rehabilitation payments relative to the underlying case population.

## The Critics

In light of the turnaround in financial performance, it is perhaps not surprising that questions would be raised about “changes in policy” that would explain the substantial cost differences. In a system as contentious as workers’ compensation, any significant change tends to be attributed to a change in the balance of power or influence of one side or the other. Labour sees any reduction in costs as a symbol of employer influence, and employer groups see any increase in benefits as revealing labour’s dominance of the system. Unfortunately, the WCB gets caught in the middle, and largely because of a lack of internal analytical capacity is not able to offer satisfactory explanations to the stakeholders on either side.

We talked with a significant number of critics of the WCB, and they were quite consistent in the judgment that “things have changed” at the Board. Their complaints included some specific allegations about vocational rehabilitation practice, but the more general feeling among injured worker advocates is that the WCB has gotten “more hard-hearted” in recent years. As evidence of this, they allege that claim disallow rates are at an all-time high at the Board, that appeals to the Workers’ Compensation Review Board have increased by over 50 percent in the past two years, and that a rising proportion of claims are being deemed, and essentially closed arbitrarily, without a satisfactory resolution.

Critics also assert that vocational rehabilitation plans are generally more restrictive today, and that less worker input is accepted. It is maintained that a “job search or nothing” attitude characterizes many VRCs, particularly relative to lower wage workers. There are fewer referrals to vocational rehabilitation, and self-referral is now declared to be “a non-starter.” Deeming of jobs is believed to be both more frequent and less realistic than before. Some advocates claim to have seen a “cookie cutter” approach to vocational rehabilitation; they question how many lottery ticket sales persons and self-service gas station attendants can be absorbed into the economy, even in the lower mainland.

Labour critics of the WCB assert that they can generally support the concepts of disability management and early intervention, but they do not accept the way that these concepts are being implemented at the Board. Referring to these workers as the “walking wounded,” they claim that abuse and coercion of such workers is endemic to the program.

From the employer side, the primary concern is that vocational rehabilitation expenses should be justified on an investment basis. While most would not insist on a strict cost-benefit calculation, there is the feeling that monies spent on vocational rehabilitation activities should yield specific returns that justify the investment. Employer groups applaud the recent reductions in vocational rehabilitation expenditures, but still believe that the level is excessive relative to historical cost levels. There are also allegations of vocational rehabilitation “horror stories,” which generally involve what employers regard as outlandish expenditures for activities that do not promise a significant monetary return, or that seem overly indulgent of the injured worker.

### The Policy Issues

We encountered five specific vocational rehabilitation “policy” issues that are causing suspicion and consternation among stakeholders and other informed observers of the system. They are: (1) the discretionary nature of vocational rehabilitation; (2) the question of employment or employability as the goal of vocational rehabilitation; (3) the issue of deeming earnings in setting permanent pensions; (4) recent changes in the payment of income continuity benefits (Code R payments); and (5) the role of the Vocational Rehabilitation Advisory Council.

### Discretionary Vocational Rehabilitation

Since the statute clearly specifies that vocational rehabilitation is a discretionary benefit rather than an entitlement, practice and policy have evolved largely through precedent and management decision. In the past two years, these discretionary WCB decisions have been subject to more management guidance and control than in the period from 1993 to 1995. Because of the reimposition of a professional management structure specifically for the vocational rehabilitation function, improved understanding of practice guidelines has been provided. This was required to return vocational rehabilitation practice to consistency and control. For example, in 1997 vocational rehabilitation consultants are quite clear that vocational rehabilitation services are extended only to those cases where there is a significant

physical impairment. If this was not the understanding of all VRCs before, then the reinforcement of such a requirement may appear to constitute a reduction in benefits for some individuals.

### Employment or Employability

Our administrative inventories in both 1991 and 1995 identified confusion between the goals of employment and employability as a significant issue for vocational rehabilitation policy and practice. This confusion has now been eliminated. The clear focus of vocational rehabilitation practice is: first, to return the injured worker to work in a different or modified job if necessary; and second, to seek to develop general employability only when the first objective cannot be achieved. Thus, the primary goal is employment, with employability as a secondary goal when the primary goal cannot be achieved.

### Income Continuity

During 1995 and 1996, an internal debate took place within the WCB over the subject of the proper handling of income continuity (Code R) benefits. This internal debate culminated in a decision to make a specific change to the *VR Handbook* that was promulgated in September 1996. This change in policy and practice meant that the Code R benefit, instead of being set at the temporary wage loss benefit level, would be set at the estimated permanent LOE pension benefit, generally significantly lower. This does not apply if the individual is engaged in a vocational rehabilitation plan.

Thus, the Vocational Rehabilitation Consultant gives immediate effect to his or her Employability Assessment by implementing a Code R benefit based on the hypothetical (deemed) earnings that have been assigned. This is defended on the grounds that it promotes a return-to-work orientation and “brings the injured worker back to reality” more quickly than the old income continuity policy. However, there is no question that it is a reduction in benefits that would have been received by particular injured workers under the former practice.

This change in policy and practice has a dual impact on the expenditure levels of the Vocational Rehabilitation Services Department. In the first instance, the Code R benefit will



generally be lower than before, resulting in a direct reduction in expenditures. In addition, when the permanent pension award is set, the WCB pays this benefit retroactive to the end of the temporary disability period. When Code R benefits were paid at the temporary wage loss level, the retroactive permanent disability benefit usually fell short of covering the Code R payments. However, with the revised practice, the permanent pension retroactivity is more likely to cover the Code R payments, accounting for the precipitous drop in such payment (net of recoveries) in 1996.

### Deeming

In those circumstances where the claimant has not returned to work at the time of fixing the permanent loss of earnings pension level, it is necessary to come up with an estimate of potential earnings. Otherwise, there would be no loss of earnings basis for setting permanent partial disability payments; there would only be the functional impairment as the basis of compensation. So the practice of “deeming” jobs has evolved in British Columbia, as it has in many other jurisdictions in North America.

This task falls to the VRC as part of the Employability Assessment. The problem is that deeming not only requires estimating the effects of the permanent impairment, but also the labour market implications of that impairment. Further, the VRC is required to assume that the “appropriate” vocational rehabilitation intervention has been completed, even where the injured worker is not cooperating with vocational rehabilitation efforts.

In sum, deeming is inaccurate, impersonal, and overly demanding of professional judgment from the VRC. It is highly dependent on subjective interpretations of suitability and availability of employment and the capability of the injured worker. However, it also makes the dual pension entitlement system administratively feasible, and much like workers’ compensation as a whole, constitutes a system of administrative justice that is somewhat imprecise, but reasonably effective and economical to administer.

Critics of the deeming practices of the WCB assert that: (a) the deemed jobs are sometimes not available in the local labour market; (b) the deemed jobs may not realistically be available to the particular worker; and/or (c) that the training or other preparation required for

the deemed job is unattainable for the particular worker. Needless to say, the process of “deeming” labour market results in setting permanent loss of earnings pension levels is fraught with great difficulty and considerable contention.

#### Advisory Council

The WCB Vocational Rehabilitation Services Advisory Council was appointed in 1993 to act as an advisory body on matters affecting the delivery of quality vocational rehabilitation to workers in British Columbia. The terms of reference specifically stated that the VRAC was not a policy making or decision making body, but was designed to facilitate communication with stakeholder groups. However, it is clear that this group was unable to develop an appropriate mission, and never contributed significantly to the performance of the Vocational Rehabilitation Services Department.

The members of the VRAC themselves assert that it was a lack of interest on the part of WCB management that led to their ineffectiveness. It is alleged that the VRAC was not provided with appropriate information nor consulted in advance about major policy considerations or administrative changes. Meetings were scheduled without sufficient advance notice or preparation; minutes of meetings were late in arriving and were very sketchy when they did arrive. In short, it appeared to the members of the VRAC that the WCB did not value their input. Our view is that if the VRAC had been appropriately structured and effectively used in the past four years, some of the policy questions plaguing the Vocational Rehabilitation Services Department today might never have arisen.

#### Organizational and Practice Issues

As noted in the 1995 administrative inventory, the overall situation in vocational rehabilitation which we observed during our five-year follow-up study was very bleak. While specific concerns had been expressed related to the role of the Vocational Rehabilitation Consultant and the level of management support (e.g., clinical supervision and ongoing training) provided to these professionals in the claims units and area offices in the 1991 administrative inventory, the situation had further deteriorated upon our return in 1995.

The new VRS Department and management structure was formally implemented in June of 1995. Given the fact that there was virtually no structure to provide professional supervision over the preceding two-year period, combined with the limited experience of a number of VRCs, meant that systematic clinical supervision, ongoing training, and quality assurance were critically deficient. We reported in the 1995 administrative inventory that the lack of supervision, oversight, and accountability appeared to have had a very detrimental effect on the performance and morale of VRCs in the field.

Two of the areas which we felt were most critical to turning the situation around in the VRS Department were identified as attention points in the 1995 administrative inventory. We indicated that: (1) the Department needed to develop clearer guidelines, expectations, and standards of practice regarding the provision of services; and that (2) it was imperative to increase the level of clinical supervision provided to each VRC in order to remediate specific problems and ensure consistency of practice, particularly as the department moved to clarify practices and expectations of the VRCs.

The impact of the various initiatives and interventions introduced by the new management structure was clearly evident upon our return visit in 1997. In less than two years, significant change has occurred in some of the most critical areas previously identified as serious organizational problems. This was evident in the comments we received during the interview process, and was further verified through a review of documentation, individual case files, and analysis of the changes in case expenditures and outcomes related to the provision of vocational rehabilitation services at the WCB.

VRCs and management personnel alike consistently expressed the view that the new structure and clinical supervision model introduced in 1995 has had a very positive effect on the morale and overall functioning and effectiveness of the Department. This model of clinical supervision and oversight has clearly provided a more consistent approach to casework. It also provides a regular forum for VRCs to continue their professional development through weekly interactions with supervisors and other VRCs, where support, clarification, and additional technical expertise are applied to individual cases.

Line managers commented that never before had there been the time available to

address individual problems as within the current (spring 1997) clinical supervisory model. It appears the key to the impact of this approach was relieving these managers of other administrative duties, which were then handled by senior level management. This provided the time to focus on the direct provision of regular clinical supervision to the VRCs.

In addition, the new statistical system made available during this time frame to monitor outcomes, patterns of services, and the status of individual VRC caseloads has greatly facilitated the work of the line managers in their assessment and oversight responsibilities for the VRCs they supervise. Also contributing positively to this process was the reinstatement of the annual performance appraisal for each of the VRCs. This Performance Plan was seen by both VRCs and Managers as an important addition to the process.

Progress is very evident over the past two years in the development of clearer guidelines, expectations, and standards for the provision of vocational rehabilitation services. Return to work has become the clear first priority of the Department, and all VRCs and Managers we spoke to talked consistently about this focus. The impact of the initiatives undertaken by the new management structure is evident in the outcomes achieved by the Department as well. Over the past two-year period, return-to-work rates are increasing, expenditures are decreasing, and services are being rendered in a much more timely manner.

#### Other 1995 Attention Points

There were a series of other issues that were raised as attention points by the 1995 administrative inventory. The third objective of this follow-up study is to assess the progress made on these specific attention points since 1995. We will briefly highlight the relevant areas here.

#### Professional Development Focus

We urged the implementation of a professional development focus within the VRS Department to address the continuing education needs of the staff in 1995. There has been fundamental progress in addressing this gap in the past year. Two major workshops were sponsored or co-sponsored for VRCs. An internal workshop committee has been established to

work on this area. The job description of the VRC position has also been upgraded, and the WCB has begun supporting membership in professional organizations and professional certification efforts by VRCs. Last, but by no means least, periodic performance reviews have been restored for VRCs at the WCB. This has improved the accountability of staff, but also has increased the sense of common purpose and mission.

### New Models of Service Delivery

In 1995, we suggested that the WCB develop and test new models of service delivery to incorporate early intervention, continued attachment to the workplace, and return-to-work outcomes. The WCB has moved aggressively to implement these goals. This is manifested in the current demonstration of the new Case Management Model in Prince George. In addition, the Continuum of Care experiment indicates a readiness to try new ways of doing business. This innovative early intervention program for soft tissue disorders promises to turn the old “paymaster” tradition of the WCB completely around. The new, more aggressive disability management philosophy holds great promise for the future.

### Program Evaluation

We pointed out that there was no program evaluation of vocational rehabilitation interventions at the WCB in 1995. The Rehabilitation Performance Management (RPM) system represents a solid first step toward this goal. It gives managers the data they need to manage, and could evolve into a much more useful departmental process evaluation tool. However, outcomes still are determined at case closure only; there is no follow-up to determine the permanence of vocational rehabilitation outcomes. There is also no apparent empirical analysis relating inputs to outcomes in vocational rehabilitation interventions. Thus rehabilitation practice is based largely on the judgment of the VRC and his or her manager. This is a major gap that prevents the department from becoming truly performance driven.

### Technology and Software Tools

While there has been some activity directed to the lack of technology and software tools available to the VRC in the performance of their roles, there have been no new tools or

technology provided to the VRCs to date. The REHADAT system, which is under development for WCB use, promises to move practice forward in this area. There is also a Labour Market Research database taking shape which is intended to pool the information developed by individual VRCs about labour market opportunities for the purpose of utilizing the information and analysis in other similar cases. Both initiatives will serve to further consolidate the collective experience of the Department and improve the function of individual VRCs.

#### Referral Relationships

We thought the WCB needed to develop additional service capacity and improve referral relationships in the community, particularly outside of the lower mainland. This was designed to improve the geographic distribution of service and to broaden the supplier base throughout the province. Some of this has been accomplished, as witnessed by the lower occupancy rate of the residence at the WCB Rehabilitation Centre in Richmond. In fact, it seems that in the area of placement services, rather too much outside referral behavior developed among VRCs. However, this has been brought back under control and continuous performance monitoring of contractors promises to improve the overall situation.

#### Career Re-Direction and Job Search Program

In 1995, we recommended that more resources be put into this program in order to provide a comprehensive array of employment resources for injured workers. This has not been adopted and the program has been transferred to the Rehabilitation Centre. However, with the increased focus on job placement within the WCB and the increased selection of external services available, it is possible to argue that this is being accomplished in alternative ways.

#### Research

We firmly believe that an internal research program would inform vocational rehabilitation policy and practice issues at the WCB. This was to be one of the functions of the third senior manager in the department under the departmental reorganization of 1995.

Unfortunately, this position was never filled and there has been no research on vocational rehabilitation practice conducted at the WCB in the past two years. We continue to believe that practical, focused research and evaluation efforts could significantly improve the practice of vocational rehabilitation at the WCB.

## Conclusions

The terms of reference identify three main tasks for this effort. First is to determine whether the structural changes to the Vocational Rehabilitation Services Department have addressed the organizational problems identified in the Upjohn Institute administrative inventory in 1995.

### Structural Changes

Our review and analysis lead us to the conclusion that the reorganization of vocational rehabilitation services at the WCB has been successful. Effective management control has been regained and considerable progress has been demonstrated in achieving consistency of practice across all VRCs in the department. Through the imposition of a clinical supervision model, increased levels of accountability have been attained and the morale of the department has been improved. These structural changes and performance improvements are manifested in reduced expenditure levels, prompter service, and improvements in the return-to-work outcomes.

This is not to discount the dissatisfaction of labour and worker advocates. Our conclusion that the WCB is doing a better job of implementing its policies on vocational rehabilitation than in 1995 clearly conflicts with the unhappiness in the worker advocate community over the effects of those policies. Pronouncing the structural changes of 1995 as successful does not address the issue of whether the proper policies are being implemented. We are praising improvements in organizational effectiveness while the critics are criticizing practices or policies that they do not accept. We have seldom seen such intense feelings aroused by policy and practice changes. This is at least partly accounted for by the historical position of vocational rehabilitation as the “kinder, gentler” side of the WCB. It has been traditional that the VRC acts as the internal advocate for the injured worker, as opposed to the

Claims Adjudicator, Disability Awards Medical Adviser, or other board officers.

We believe the dissatisfaction on the part of worker advocates stems from three major sources. First is the internal WCB decision process, which essentially disenfranchised stakeholder groups. This is compounded by the continuing reaction to the 1995 changes in governance structure which were perceived to have had the same effect. Second is dissatisfaction with the actual outcomes of vocational rehabilitation, a major determinant of which are large-scale demographic and employment trends which are clearly beyond the control of the WCB. Third are the actual changes in vocational rehabilitation policy and practice at the WCB. Further, Our perception is that the way these changes were implemented, with little or no participation by stakeholder representatives, has actually been a larger issue than the changes in policy and practice themselves.

#### Policy or Practice

The second component of the terms of reference was to assess the extent to which official WCB policies on vocational rehabilitation are currently being carried out by the Vocational Rehabilitation Services Department. As indicated earlier, we believe that WCB policies are being carried out far more consistently in 1997 than they were in early 1995. However, there remains the question of whether the WCB management may have overstepped its authority and used the distinction between policy and practice as a way to implement significant changes that were not approved by the Panel of Administrators, and implicitly, by stakeholder interests. We feel that there is legitimate grounds for complaint here. In our opinion, the management of the WCB did take advantage of their prerogatives and pushed across the policy-practice divide. This seems relatively clear in the case of the continuity of income (Code R) change; it is less clear for the other changes discussed here.

It also is obvious to us as outsiders that it would have been in the long-term interest of WCB management to ensure that stakeholders were consulted before making any practice changes that might have significant policy implications. This is true despite the obvious fact that there are usually at least two sets of diametrically opposed stakeholder positions. But at the same time, it is necessary to defend management's responsibility to run the business. Thus, for



the future it is vitally important to clarify the proper division of responsibilities between WCB management and the governing authority, and to provide regular mechanisms for stakeholder consultation at both levels.

### 1995 Attention Points

The third objective of the terms of reference was to measure the progress of vocational rehabilitation services against the relevant attention points of the 1995 administrative inventory. In general, we can state that progress has been good, although there have been a few exceptions. The high points are the improved consistency in expectations and standards of practice for the VRCs and the enhanced accountability in the Department as a result of the clinical supervision model that was put in place in 1995. Professional development activities have improved markedly and the new performance monitoring system seems to be a significant step in the right direction.

The WCB also gets high marks for the exploration of new models of service delivery and methods to improve operational efficiency. There has been some activity on technology and software improvements for vocational rehabilitation practice, but no implementation as yet. Last, the need for research and evaluation to guide professional practice in vocational rehabilitation has not yet been addressed at the WCB.

While much has been accomplished in the last two years, it must be recognized that this is only a beginning step in establishing more consistent and effective vocational rehabilitation services. It is imperative that such efforts be continued and extended if the WCB is to realize its goal of successful rehabilitation and return to work for injured workers in British Columbia.

### Attention Points

While the new management structure in the Vocational Rehabilitation Department has made some fundamental progress in addressing the concerns identified in the 1995 administrative inventory, a considerable amount of work and effort remains over the next few years to address these critical issues effectively. Clearly over the past two years, the most significant accomplishments have been in the areas of establishing clearer guidelines,

expectations and standards of practice for the VRCs, and in providing a much improved level of clinical supervision and accountability within the Department. While we believe these are significant gains, the progress made in these areas should be viewed as tentative and in-progress.

Given the above assessment, the following attention points are presented for the consideration of WCB leadership, stakeholders, and policy makers in British Columbia.

(1) Develop and consistently utilize a process of community consultation and review when considering significant changes in the delivery of vocational rehabilitation services. When new practice directives are developed they should be systematically reviewed by the appropriate external and internal mechanisms for consistency with current policy.

(2) Continue or increase the level of clinical supervision and line manager oversight for individual Vocational Rehabilitation Consultants that has been developed and implemented over the past two years.

(3) Pursue the process of identifying areas where clearer guidelines and practice expectations are required by consultants and managers. Provide clarification and guidance where appropriate and formally disseminate these practice directives in a timely manner through revisions of the Vocational Rehabilitation Handbook or other public documents.

(4) Develop a comprehensive plan for continuing education for consultants and managers as part of an overall professional development focus. Utilize existing data (from performance plans) and/or conduct a needs assessment to identify critical training needs for both line managers and consultants that could be addressed through in-service training and professional conferences. Continue the upgrading of the knowledge, skills, and abilities associated with the VRC position description and the annual performance appraisal process for individual consultants.

(5) Thoroughly test and review the new case management model and other new initiatives prior to formal implementation. In the current situation, the WCB needs to assure that the role and functions of the case manager and vocational rehabilitation consultant are appropriately delineated to enhance early intervention, attachment to the workforce and return-to-work outcomes consistent with disability management principles.

(6) Provide the consultants with technology and software tools required to provide more effective services. For example consultants need to be able to access important labour market information (Labour Market Research database) and utilize other technology (e.g., REHADAT) as well as access transferable skills analysis and job matching software.

(7) Promote research and program evaluation efforts to provide the Department with the intelligence required to adequately inform future policy and practice. Given the rapid changes in the labour market, demographic trends, and in the non-compensable barriers to employment that injured workers often present, there is a critical need to monitor these complex issues on an ongoing basis.

(8) Develop additional service capacities and referral relationships in the community to address injured worker service delivery needs. The model preferred provider project that has been designed for Job Clubs appears to have some real promise in addressing these types of service needs. In addition, career and labour market informational resources available within the Career Re-Direction and Job Search Program at the Rehabilitation Centre need to be upgraded, expanded, and made accessible via computer network for consultants and injured workers.

With continued progress on the organizational effectiveness of the Vocational Rehabilitation Services Department and a renewed commitment to external stakeholder consultation, we are confident that the WCB can attain world-class status in returning injured workers to productive and satisfying lives.

## APPENDIX

## Table A-1 List of Persons Interviewed

### **WCB Senior Executives and Directors**

Vince Collins, Chair, Panel of Administrators  
Ronald Buchhorn, Vice President, Rehabilitation and Compensation Services Division  
Wolfgang Zimmerman, Panel of Administrators  
Debra Mills, Director, Area Offices  
Linc Johnson, Director, Rehabilitation Centre  
Henry Harder, Director, Vocational Rehabilitation Services  
Dr. Bart Jessup, Director, Strategic Projects

### **WCB Managers**

Julie Peters, Regional Manager  
Carol Sallenbach, Manager, Disability Awards  
Greg Weavers, Manager, Compensation Services  
Rick Deneault, Client Service Manager/VR Manager, Prince George

### **Vocational Rehabilitation Services Department**

James Watson, Senior Manager, Vocational Rehabilitation Services  
Rebecca Chidley, Manager, Vocational Rehabilitation Services  
Jennifer Leyen, Manager, Vocational Rehabilitation Services, Terrace and Surrey Offices  
John Hewitt, Vocational Rehabilitation Consultant, Victoria  
Jim Dayton, Vocational Rehabilitation Consultant  
Larry Weatherly, Vocational Rehabilitation Consultant, Prince George  
Sandra Caze, Vocational Rehabilitation Consultant  
Eric Fielder, Vocational Rehabilitation Consultant  
John Chinak, Vocational Rehabilitation Consultant  
Susan Pandak, Vocational Rehabilitation Consultant, Research and Development  
Sandra Muller, Vocational Rehabilitation Consultant, Research and Development  
Colleen Bell, Vocational Rehabilitation Consultant  
Maralyn Gelblum, Vocational Rehabilitation Consultant  
Gail Morgan, Vocational Rehabilitation Consultant, Courtney  
Goldie Lindenbach, Manager, Vocational Rehabilitation Services  
Francis Graf, Manager, Vocational Rehabilitation Services, Victoria Office

### **Other WCB Staff**

Hugh Legg, Executive Officer, Panel of Administrators  
Paul Petrie, Appeal Commissioner, Appeal Division of the WCB  
Louise Logan, Policy Director, Policy and Regulation Development Bureau

Peter Hopkins, Ombudsman

**Other Organizations**

Myrna Hall, Management Consultant - Case Management Project  
Colin Ackroyd, Policy Specialist, Department of Labour  
Blake Williams, Director, Workers' Adviser Organization  
Ralph Barrows, Workers' Adviser Organization  
Myrna Cresswell, Workers' Adviser Organization  
Iain Ballantyne, Workers' Adviser Organization  
Mike Carlton, Workers' Adviser Organization  
Douglas Strongitharm, Vice Chair, Workers' Compensation Review Board  
Lorne Newton, Vice Chair, Workers' Compensation Review Board  
Susan Polsky Shamash, Registrar, Workers' Compensation Review Board  
Glen MacDonald, Director of Rehabilitation Services, Health Care Benefit Trust

**Interested Parties Outside the System**

Grant McMillan, Vice President, Occupational Safety & Health, Council of Construction Associations  
Jim Peters, Union Representative, Local 480, United Steel Workers of American  
Ralph Dotzler, United Association of Injured and Disabled Workers  
Graham Stott, United Association of Injured and Disabled Workers  
Linda Vallee, United Association of Injured and Disabled Workers  
Harold Chisanmore, United Association of Injured and Disabled Workers  
Robert Bucher, General Manager and Chief Executive Officer, CU&C Health Services Society  
H. T. (Bud) Smith, Director, Labourers' Membership Services for Construction and General Labourers' Union  
Norman Haw, Executive Director, British Columbia Paraplegic Association  
Vincent Miele, Supervisor, Counselors/Consultants, British Columbia Paraplegic Association  
John Weir, British Columbia Federation of Labour  
Ron Caldwell, Director of Claims and Compensation, Mining Association of British Columbia  
James Sayre, Community Legal Assistance Society\*  
James Parker, Industrial Wood and Allied Workers of Canada (IWA-Forestry Workers)  
Sheila Taamivaara, BC Nurses Union  
Werner Schulz, Open Learning Agency

\*James Sayre also arranged for our meeting with about 20 worker advocates from various unions who participate in the Workers' Compensation Advocacy Group.

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