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20 April 2010

Mr. Norman Sterling, Chair,
Standing Committee on Public Accounts
c/o Katch Koch, Clerk
99 Wellesley Street West Room 1405,
Whitney Block Queen's Park
Toronto, ON
M7A 1A2

Dear Mr. Sterling,

Re: Consideration of the 2009 Report of the Auditor General
on the WSIB Unfunded Liability

The Ontario Network of Injured Workers Groups is an organization representing injured worker organizations across Ontario. We are writing in regards to the meeting of the Committee held on February 24th to consider the 2009 Annual Report of the Auditor General as it pertains to the Workplace Safety and Insurance Board. We have very serious concerns about this report and would like the opportunity to present these concerns to the Committee.

In his report, the Auditor General refers to concerns about rising benefits costs and proposes reducing injured workers benefits as one of the options to deal with this. On at least 6 occasions, the Auditor General cites 'the Institute's study. He is referring to the Institute for Work and Health, a world renown organization of scientists, external to the WSIB, that publishes peer reviewed studies on matters related to workplace health and safety.

We have looked into this and we have been advised that the document referred to by the Auditor General is not an Institute for Work and Health study. It is an internal document prepared by the WSIB as part of a review that has not been completed. This information does not appear to have been presented to the Auditor General or your committee.

We have obtained a copy from the WSIB, although it has not been publicly distributed by the WSIB. The WSIB study expresses concern about rising benefit costs, particularly “the increasing percentage of workers being locked in at 100% of wage loss benefits.” Although we have had little time to review the WSIB study, we found that the data indicates a dramatic decrease in the number of injured workers being locked in at 100% of wage loss benefits. In fact, we found a dramatic decrease in the number of injured workers receiving any benefits for long term injuries. The attached chart shows the data from the WSIB study. This information does not appear to have been presented to the Auditor General or your committee.

This information raises important questions about the Auditor General’s report and about the basis for the proposed strategy of reducing long term benefits. We are requesting an opportunity to meet with the Committee and present this information.

Yours truly,
Ontario Network of Injured Workers Groups
per:

Peter Page
President

copies: members of the Committee
David Marshall, WSIB President
Auditor General

Preliminary Review of the “Institute for Work and Health” Study Cited by the Auditor General Report

In December 2009, the Auditor General of Ontario released his Annual Report¹ which includes a chapter on the WSIB. This chapter makes repeated references to concerns about “rising benefit costs” of the WSIB and concludes with recommendations which include suggesting that the Government of Ontario and the WSIB may need to consider reducing the workers’ compensation benefits of permanently disabled injured workers.

The ‘IWH Study’ is Not an IWH Study

The Auditor General notes that the WSIB engaged the Institute for Work and Health to examine its claims data in response to “concerns about rising benefit costs”². The Institute for Work and Health is a world renowned institution comprised of academic researchers and scientists³. The Institute is external to the WSIB and produces highly regarded, peer reviewed studies for publication. The Auditor General makes at least six references to the findings in the “Institute for Work and Health study.”⁴

On February 4th, 2010, Injured Workers’ Consultants community legal clinic was given a copy of the study from the WSIB with a memo from the WSIB Auditor stating that this was a copy of “The Institute for Work and Health Report”.

We understand that the Institute for Work and Health has confirmed that the document is not an Institute for Work and Health Study, it is an internal WSIB briefing document that represents the first phase of a multi-phase study.

Rising Benefits Costs?

On page 1 of the main report, the study lists some “particularly noteworthy” trends and “these increasing trends have resulted in an additional financial burden to the WSIB.” Themes include “the increasing percentage of workers being locked-in at 100% of wage loss benefits.”

Here are the numbers of injured workers reported in the WSIB study by year of injury:

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
IWs Receiving 100% long term wage loss benefit	1,477	1,221	845	720	672	638	528	488	674	838	1,085	520

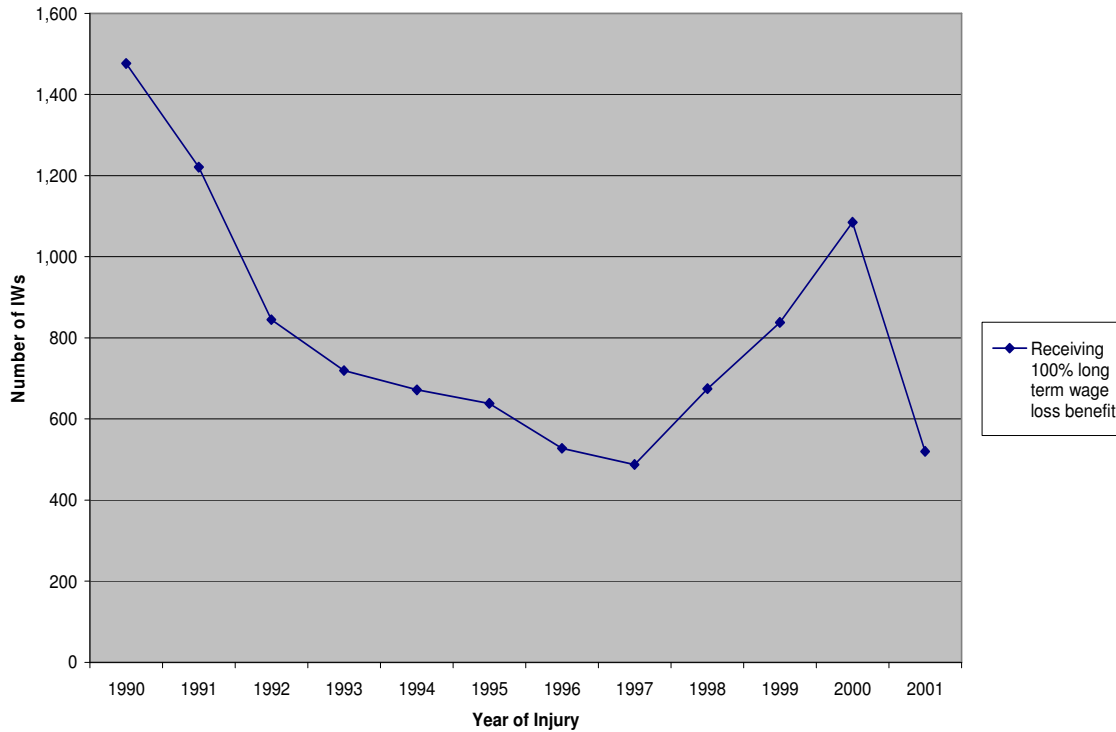
¹ Annual Report 2009, December 7, 2009, Jim McCarter, Auditor General of Ontario.

² Annual Report 2009, page 330.

³ <http://www.iwh.on.ca> The IWH is an independent, not for profit organization whose mission is to conduct and share research that protect and improves the health of working people and is valued by policy-makers, workers and workplaces, clinicians and health and safety professionals.

⁴ Annual Report 2009, pages 330 to 332.

Injured Workers Receiving 100% long term wage loss benefit



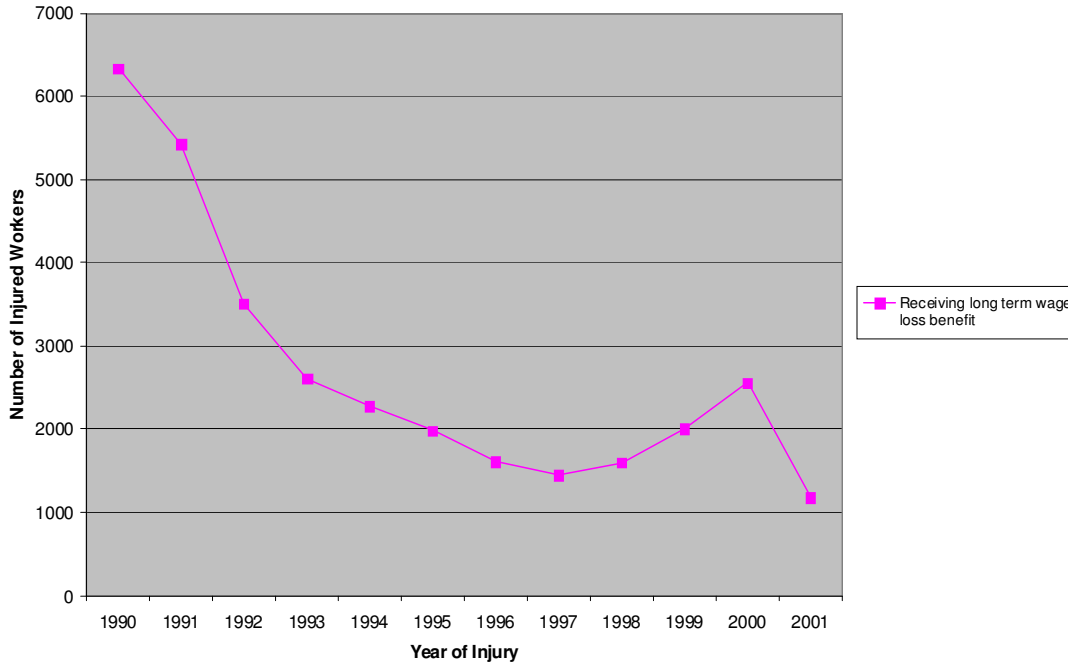
There has been a significant drop in the number of injured workers being locked-in on 100% wage loss benefits. This does not support the claim that 100% wage loss awards present an increasing financial burden on the WSIB.

Injured Workers receiving Any Long Term Benefits

In our experience, the number of injured workers receiving any long term benefits from the WSIB has been decreasing. This is confirmed by the numbers in the WSIB study showing injured workers who are locked in at some level of long term benefits, whether it is 100% wage loss or a few dollars a month:

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
# Lost Time Claims	163,370	135,388	118,537	107,016	108,829	103,734	89,842	89,141	85,855	88,409	91,470	85,457
# Locked in on wage loss benefits	6337	5428	3505	2607	2278	1982	1609	1447	1598	2005	2559	1176
Percentage of LT claims on wage loss benefit	3.9	4.0	3.0	2.4	2.1	1.9	1.8	1.6	1.9	2.3	2.8	1.4

**Injured Workers on Long Term Wage Loss Benefits
(Locked in at Final Review)**



According to the data in the WSIB, the number of injured workers who get any long term wage loss benefits, those whose claims are locked in on benefits to age 65, has decreased dramatically, from 6337 of those injured in 1990 to 1176 injured in 2001. These injured workers are the most severely disabled workers in the workers' compensation system.

Review of the WSIB Numbers

Accident Year	1990	1995	2001
% of long term benefits claims receiving 100% loss of earnings benefits	23.3%	32.2%	44.2%
Number receiving 100% loss of earnings benefits	1,476	638	519
Number receiving any loss of earnings benefits	6,337	1,982	1,176
Number of LTI	163,370	103,734	85,457
% of LTI receiving long term benefits (locked-in)	3.9%	1.9%	1.3%

The injured worker community is concerned that the government of Ontario and the WSIB are now considering changes to reduce the benefits of injured workers as suggested in the report of the Auditor General. The Auditor General's report places significant reliance on a study that he incorrectly believed was done by the world renowned Institute for Work and Health.

Our initial review of this data reveals no cause for concern that the current treatment of injured workers benefits is creating an increasing financial burden on the WSIB.

ONIWG April 2010