

# WORKERS' COMPENSATION REPORTER

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- *Creation of workplaces that are safe and secure from injury and disease*
  - *Successful rehabilitation and return to work of injured workers*
  - *Fair compensation for workers suffering injury or illness on the job*
  - *Sound financial management to ensure a viable WCB system*
  - *Protection of the public interest*
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Sections and excerpts from the *Workers Compensation Act*, Revised Statutes of British Columbia, Chapter 437 are provided for convenience and are to be used for informational purposes only.

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- Blue — Decisions of the Panel of Administrators
- Green — Appeal Division Decisions
- Pink — Miscellaneous
- Purple — Review Board Findings
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# Decision of the Panel of Administrators

**Number:** 98/07/16-08

**Date:** July 16, 1998

**Subject:** Corporate Supply Management: New Business Processes & Systems to Support Ongoing Operations and Delivery of Corporate Strategic Initiatives

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## **WHEREAS:**

Pursuant to Section 82 of the *Workers Compensation Act*, RSBC 1996, Chapter 492 and amendments thereto (the "Act"), the Panel of Administrators (the "Panel") must approve and superintend the policies and direction of the Workers' Compensation Board (the "Board") and must:

- 82(a)(ii) review and approve operating policies of the Board,
- 82(a)(iii) approve operating and capital budgets of the Board,
- 82(a)(v) approve major programs and expenditures;

## **AND WHEREAS:**

The current purchasing system is not Year 2000 compliant and must be replaced;

## **AND WHEREAS:**

Current purchasing processes contain significant inefficiencies resulting in higher costs for goods and services as well as lengthy turn around times for requests;

**AND WHEREAS:**

Streamlined processes and a fully integrated financial system is required for the Board to pursue and successfully support existing and future strategic initiatives directly beneficial to workers and employers;

**THE PANEL OF ADMINISTRATORS RESOLVES THAT:**

The proposal to redesign corporate purchasing processes and replace the current purchasing system with a new corporate supply management application be approved at the cost of \$2.8 million. The cost of this initiative includes incremental costs of \$2.3 million, allocated costs of \$0.5 million and annual recurring costs of \$0.2 million.

# Decision of the Panel of Administrators

**Number:** 98/09/11-01

**Date:** September 11, 1998

**Subject:** Interest on Assessment and Prevention Appeals

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## WHEREAS:

By Section 96(6)(6.1) of the *Workers Compensation Act*, employers may appeal notices relating to assessments and prevention matters to the Appeal Division.

## AND WHEREAS:

Section 96(7) of the *Workers Compensation Act* provides that, if an appeal under Section 96(6)(6.1) is successful, the amount to be returned to the employer must be accompanied by interest, calculated in accordance with the policies of the Governors, on the amount to be returned.

## THE PANEL OF ADMINISTRATORS RESOLVES THAT:

On all money returned to employers as the result of appeals to the Appeal Division pursuant to Section 96(6)(6.1) of the *Act*, interest will be paid as follows:

- (a) The effective date of interest will be the date the employer filed the notice of appeal with the Appeal Division, except:
  - (i) the existing provisions in *Assessment Policy Manual # 40:70:40* concerning the payment of interest where there has been a blatant Board error or a prepaid penalty assessment will continue; and
  - (ii) the provisions for the payment of interest on "historical" Section 39(1)(e) cases contained in the resolution of the Panel of Administrators dated April 23, 1998 and entitled "Re: Section 39(1)(e)" will continue.

- (b) The interest rate will be the same rate as paid under policy item #50.00 of the *Rehabilitation Services and Claims Manual* on compensation matters.

This decision takes effect as of the date of the resolution.

This constitutes a policy decision of the Panel of Administrators. The corresponding changes will be made to the *Assessment Policy Manual*.

## Decision of the Panel of Administrators

**Number:** 98/10/13-01

**Date:** October 13, 1998

**Subject:** The Assessment of Permanent Functional Impairment (“PFI”) by External Services Providers Using ARCON Software

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### WHEREAS:

Pursuant to Section 82 of the *Workers Compensation Act*, RSBC 1996, Chapter 492 and amendments thereto (the *Act*), the Panel of Administrators (the “Panel”) must approve and superintend the policies of the Workers’ Compensation Board (the Board) and must:

- 82(a)(ii) review and approve operating policies of the Board,
- 82(a)(iii) approve operating and capital budgets of the Board,
- 82(a)(v) approve major programs and expenditures;

### AND WHEREAS:

The Board’s Strategic Plan contemplates improving claims processing via timely and accurate entitlement decisions and improving client satisfaction;

### AND WHEREAS:

External Service Providers, who are under the supervision of a physician and are participating in the External Preferred Provider Pilot being conducted by the Rehabilitation and Compensation Services Division (the Division) of the Board in the lower mainland under the resolution of the Panel of Administrators dated December 17, 1997 (*Re: The Assessment of Permanent Functional Impairment (PFI) by External Service Providers using ARCON Software*), have been conducting permanent functional impairment (PFI) examinations with the use of the ARCON testing tools and testing software;

**AND WHEREAS:**

The Board's *Rehabilitation Services and Claims Manual* (the *RSCM*) specifies that PFI examinations will, with few exceptions, be conducted by Board physicians;

**AND WHEREAS:**

It is proposed that further roll out of the project be conducted in which External Service Providers, using ARCON software under the supervision of a physician, will have the authority to perform PFI examinations throughout the province and that Board officers will have the authority to adjudicate a worker's pension entitlement using the results of such examinations;

**AND WHEREAS:**

The Panel approves of permanent functional impairment testing by External Service Providers using ARCON testing tools and software;

**AND WHEREAS:**

Additional time is required to fully assess and develop any changes required to the *RSCM*;

**THE PANEL OF ADMINISTRATORS RESOLVES THAT:**

1. External Service Providers, who are selected by the Rehabilitation and Compensation Services Division of the Workers' Compensation Board as part of the External Service Provider network, are authorized to conduct PFI examinations using ARCON testing tools and software under the supervision of a physician.
2. Board officers are authorized to adjudicate and render decisions regarding a worker's pension entitlement using the results of such examinations.
3. Contracts between the Board and External Service Providers will not contain any clause which restricts the participation of External Service Providers in the appeal process.

4. A worker who presents a reasonable apprehension of bias or potential conflict of interest with the External Service Provider shall be entitled to have the PFI examination done by a different Provider from the Provider network. The Division will supply the name of a potential new Provider. In some exceptional circumstances, this may involve a Provider from another location in the province rather than the city or town in which the worker resides.
5. The Division, in consultation with Dr. Elizabeth Dean, Associate Professor at the University of British Columbia, will review and, where appropriate, refine the existing quality assurance program as outlined in the established protocols and procedures.
6. The Division will consult with Dr. Elizabeth Dean on the scope and methodology for projects which will include a scientific validation and reliability study of the ARCON system, and a comparative analysis of functional impairment assessments using Disability Awards Medical Advisor (DAMA) results and the results using ARCON testing tools and software. The Division will report back to the Panel within the first quarter of 1999 on the methodologies as well as proposed timeframes for completion.
7. The Division will, with the assistance of the ARCON corporation and other subject matter experts, review the existing calibration protocols and procedures. The use of multi-point calibration using standardized weights will be considered and implemented, as indicated by Dr. Dean in her report to the Panel of September 11, 1998, in the calibration protocols and procedures.
8. Particulars of the safeguards with respect to privacy of information are outlined in Section 3E of the ARCON External Preferred Provider Project - Issues Response Report (August 1998). The Division, through the quality assurance program, will ensure that these safeguards are adhered to by the External Service Providers.
9. The authority under paragraphs 1 and 2 of this resolution continues pending final approval by the Panel of Administrators of necessary amendments to the *Rehabilitation Services and Claims Manual*. These amendments will be brought forward by the Division and the Policy and Regulation Development Bureau for approval at a future meeting of the Panel in the first quarter of 1999.
10. This resolution constitutes a policy decision of the Panel of Administrators.
11. The effective date of this resolution is October 27, 1998.



# Decision of the Panel of Administrators

**Number:** 98/10/13-07

**Date:** October 13, 1998

**Subject:** Human Resources Information and Payroll System

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## **WHEREAS:**

Pursuant to Section 82 of the *Workers Compensation Act*, RSBC 1996, Chapter 492 and amendments thereto (the "Act"), the Panel of Administrators (the "Panel") must approve and superintend the policies and direction of the Workers' Compensation Board (the "Board") and must:

- 82(a)(ii) review and approve operating policies of the Board,
- 82(a)(v) approve major programs and expenditures,
- 82(a)(vi) plan for the future of the Board,

## **AND WHEREAS:**

The Board's current Payroll and Human Resource Information System ("HRIS and Payroll") is not Year 2000 compliant and must be replaced;

## **AND WHEREAS:**

The capability of the current system is at its limits and cannot provide the required support to the Human Resource Division's (the "Division's") existing operations;

## **AND WHEREAS:**

The existing system limits the Division's ability to provide the services required by the Board and thus is unable to support current and future corporate strategic initiatives;

**AND WHEREAS:**

The Division has requested \$4.7 million to finance the implementation of a Year 2000 compliant HRIS and Payroll that replicates existing functionality, will communicate with existing General Ledger and Budget systems, and provide a platform for future expansion into more sophisticated HRIS and Payroll applications;

**THE PANEL OF ADMINISTRATORS RESOLVES THAT:**

The proposal to replace the current Human Resource Information and Payroll System with a Year 2000 compliant Information and Payroll System is approved at a cost of \$4.7 million. The cost of this initiative includes incremental costs of \$3.6 million, allocated costs of \$1.1 million, and annual recurring costs of \$0.6 million, roughly equivalent to the annual recurring costs of the current system.