

MINUTES – BOARD MEETING
8:00am- September 26, 2018 and 8:00am – September 27, 2018

Present: Haley Flaro, Douglas Jones, Julie Marr, Lucien Sonier, Hector Losier, Tina Soucy, Jim Stanley, Donna McNeill, Michael MacMullin

Absent: Gaëtan Guérette, Lucien Sonier (absent September 27 only)

Staff present: Michael McGovern, Amanda Aubé, Sonia Lanteigne

Staff present for portion of meeting: Carolyn MacDonald, Laragh Dooley, Scott Allaby, Crispina Caballero, Cathy Bent

Also present for a portion of the meeting: Conrad Ferguson (Morneau Shepell), Jeff Queen (Morneau Shepell), Claude Francoeur (Ernst & Young)

1 Refresher Training with Diligent

2 Photos of Board Members

3 Chairperson’s Report

The acting Chairperson welcomed board members to the meeting. She also welcomed WorkSafeNB’s newly appointed General Counsel.

She thanked board members for attending the investment education session in PEI.

She reported that she continues to meet one-on-one with each board member and a briefing note is expected in October 2018. The meetings have focused on professional development and the focus for future stakeholder engagement meetings.

She also reported that orientation will continue for new Board members through November 2018.

She noted she recently attended a meeting with WorkSafeNB’s President and CEO, the Department of Post-Secondary Education, Training and Labour (PETL) and the Treasury Board which was a positive meeting.

Finally, she noted WorkSafeNB’s upcoming Health and Safety Conference.

4 Safety Moment

WorkSafeNB’s President and CEO and Board members remarked on the success of the Safety Days recently held in schools in Florenceville and Rothesay, NB.

5 Declaration of any Conflicts of Interest

The acting Chairperson asked any Board members who have any conflicts of interest arising from the meeting agenda to declare that conflict. No conflicts were declared.

6 Adoption of the Agenda

Moved, seconded, and on consensus, the agenda was adopted as written.

7 Approval of Minutes of June 28, 2018 Meeting

Moved, seconded, and on consensus, the minutes of June 28, 2018 were approved as written.

8 In-Camera Session

The Board discussed organizational structure, strategy and legislative/legal updates in-camera.

9 President and CEO Report

WorkSafeNB's President and CEO provided a verbal report to the Board. He reported:

- A recent decision by the New Brunswick Court of Appeal will likely impact how WorkSafeNB applies the presumption clause and what constitutes evidence to the contrary pursuant to the *Workers' Compensation Act*. There will be policy and training implications for WorkSafeNB staff in light of this decision. Legislative changes on this matter will be strategized;
- WorkSafeNB has engaged a recruiter for the positions of Chief Financial Officer and Chief Information Officer and those positions will be posted shortly; and
- WorkSafeNB's acting Corporate Secretary and General Counsel provided the Board with an update on legal matters during the presentation of the President and CEO's report.

10 Consent Agenda

(a) Key Messages

The acting Chairperson reminded the Board these are the key public messages to be mindful of.

(b) P8 Update Financials and Drivers

This item will be dealt with under Agenda Item 15.

(c) Mandate Letter – Status Review

This was provided to serve as a status update. It is anticipated that WorkSafeNB will have adequate input into the new mandate letter. WorkSafeNB's President and CEO noted the item related to linguistic capabilities pertains to language of service and issues identified on this matter will be addressed. A memo on the topic was included on the Board meeting material.

(d) Annual NB Industrial Aggregate Earnings

The Board was advised that WorkSafeNB's consulting actuary will provide further comment on the impact of the NBIAE on liabilities.

11 Policy Approval

(a) Hearing Loss

WorkSafeNB's Director of Planning and Policy introduced Memorandum M18-55 related to Policy 21-112 Occupational Hearing Loss. She noted that, given the high volume of hearing loss claims experience by WorkSafeNB, this policy is intended to ensure claims are within the parameters intended to be covered under the *Workers' Compensation Act*. The key changes include application deadlines, thresholds, modified requirements around medical aid, and the evaluation of PPI awards. She confirmed with the Board the policy now aligns with the threshold in most jurisdictions.

WorkSafeNB's consulting actuary noted that a change in liability based on these policy changes is likely, but not easily predicted at this stage.

The Board confirmed that the legal and policy departments worked together on these policy revisions, but noted that this policy may be tested at the WCAT.

The Board discussed the possibility of a revision to the regulations under the *Occupational Health and Safety Act* to require high risk industries to conduct audiograms.

The Director of Planning and Policy noted that process design could help to address how clients become eligible for replacement batteries, which may also be addressed in the Service Provider Agreements.

The Board confirmed with the acting Corporate Secretary and General Counsel that this policy will be applied on a going forward basis, with certain controls in place for existing clients on items such as replacement hearing aids, etc.

The Board clarified WorkSafeNB's current practice for hearing loss claims is to refer audiograms to consulting audiologists to review, and noted that relying on evidence from specialists who have not seen the claimant can be problematic.

The Board requested an update on this policy in two months.

Moved, seconded, and on consensus, the Board of Directors:

- Approved Proposed Policy 21-112 Occupational Hearing Loss, release 004, effective September 26, 2018;
- Rescinded Policy 21-112 Occupational Hearing Loss, release 003, effective September 26, 2018; and
- Rescinded Fee Schedule 29-555 Hearing Aids and Batteries, release 004, effective September 26, 2018.

(b) Opioids

WorkSafeNB's Director of Planning and Policy reviewed Memorandum M18-56 related to Policy 25-012 Medical Aid - Opioids. She explained the policy changes are intended to lower the number of paid prescriptions and at lower doses with the intent of lowering the risk of harm to clients. This is in line with other jurisdictions in Canada.

The Board clarified that WorkSafeNB's Rehabilitation Centre clients may be taking opioids for the purpose of harm reduction. The Board cautioned staff on the use of the term "harm reduction" as it encompasses a variety of things.

Moved, seconded, and on consensus, the Board of Directors:

- Approved Policy 25-012 Medical Aid - Opioids, release 003, effective September 26, 2018; and
- Rescinded Policy 25-012 Medical Aid - Opioids, release 002, effective September 26, 2018.

12 Communications Strategy Update

WorkSafeNB's acting Director of Communications introduced Memorandum M18-57 which provided a communications strategy update.

She explained there has been a focus on internal communications including daily updates to the internal SafetyNet as well as other initiatives including FaceTime with Doug, AskDoug and FridayFaces.

She noted that WorkSafeNB is focused on meaningful engagement in media relations, stakeholder relations and government relations.

She reviewed WorkSafeNB's enhanced use of social media for both large and small campaigns.

She reported the current focus of telling WorkSafeNB's story through stakeholder education on the rate setting model as well as providing information on legislative issues, the Auditor General's Report on claims management, return to work strategies, the Health and Safety Conference, the Executive Leadership forum, the NBCC partnership launch, and prevention campaigns.

The Board suggested that WorkSafeNB ensure open communication with both worker and employer stakeholders.

13 Investment Education Follow Up

WorkSafeNB's President and CEO requested input from the Board on the possibility of using investment strategies that would allow for more flexibility in asset allocation, given that WorkSafeNB is in a different financial position than when the current allocation was established in 2016. Given that WorkSafeNB is approaching the end of a strong investment cycle, an asset liability study will be conducted in early 2019 versus the prior plan to complete a study in 2021. The Board requested information from internal staff and its consulting actuary at its October meeting.

14 Governance Matters and Training

(a) Governance Matters

Committee Appointments

WorkSafeNB's acting Chairperson reviewed Board member self-identified skills and competencies. Taking that information into account, the Board made the following committee appointments:

Governance Committee:

- Haley Flaro (Chairperson);
- Donna McNeill (worker representative);
- Lucien Sonier (employer representative);
- Jim Stanley (alternate worker representative); and
- Tina Soucy (alternate employer representative).

Human Resources and Compensation Committee:

- Julie Marr (Chairperson);
- Donna McNeill (worker representative);
- Gaëtan Guérette (employer representative)
- Michael MacMullin (alternate worker representative);
- Lucien Sonier (alternate employer representative).

Audit Committee

- Hector Losier (Chairperson);
- Jim Stanley (worker representative);
- Tina Soucy (employer representative);
- Donna McNeill (alternate worker representative); and
- Julie Marr (alternate employer representative).

Finance and Investment Committee

- Haley Flaro (Chairperson);
- Michael MacMullin (worker representative);
- Lucien Sonier (employer representative);
- Vacant (alternate worker representative); and
- Gaëtan Guérette (alternate employer representative).

The Board confirmed the Fatality Review Committee functions and Terms of Reference will be discussed prior to the next time that committee meets, which will likely be Spring or Summer of 2019.

The Board agreed to conduct a review of committee structure and function in six months.

(b) 2018-2019 Board Meeting Schedule

The Board was in agreement with the meeting schedule presented at the meeting. Dates will be confirmed shortly.

The Board discussed using future Board meetings for group professional development as well as an opportunity to be observed by a consultant to evaluate its functioning.

The Board agreed the Governance Committee would review Board member orientation documents and the process for incoming Board members.

The Board agreed it would take time at its November meeting to follow up on action items flowing from the Auditor General's report on governance practices and Task Force recommendations.

The Board requested that its meeting agendas be updated to include additional information on agenda items and to clarify when a decision or direction from the Board is needed.

15 Financial Update

WorkSafeNB's acting Chief Financial Officer and consulting actuary presented a Financial Update, including the following:

- (a) P8 financial position;
- (b) 2018 year end forecast; and
- (c) 2019 trend indicator.

16 New Business

The following new business was addressed on September 27, 2018:

IT System

The Board received Memorandum M18-61 related to WorkSafeNB's IT assessment and IT strategic plan. The Board agreed to move forward with the engagement of an external consultant in 2018 to perform an IT assessment and develop an IT strategic plan.

Board Training on Committee Function

The Board requested training on committee functions, duties of the Chairperson, etc. in January 2019.

October 2018 Meeting Priorities

The Board identified receiving an audit report and a final review of legislative amendments. It noted it may convene via conference call in the interim.

17 Adjourn

Motion to adjourn was carried at approximately 4:15 pm.

September 27, 2018

18 Strategy Renewal Update

A consultant from Ernst & Young provided an update on the Board's strategic planning process and reviewed next steps including finalizing financials, completing roadmap and timelines, development of the strategic plan document and preparation of a Board package for presentation in October 2018.

WorkSafeNB's Director of Performance Excellence presented a strategy renewal update. She reviewed the following four scenarios with strategic responses and actions:

1. Workers Compensation System Becomes Unsustainable;
2. Growing Recognition by New Brunswickers for Health and Safety;
3. The Rise of Innovative Healthcare Solutions Offers Opportunities to Better Support Rehabilitation and Return to Work; and
4. Digital Trends are Driving Convenient and Efficient Real Time Customer Interactions.

The Board discussed the importance of focused occupational health and safety efforts in the self-insured employer group. WorkSafeNB's Director of Performance Excellence and the consultant from Ernst & Young were directed to add actions on this to the appropriate scenarios.

The Board confirmed that developing measurables on progress on strategic actions is ongoing.

The Board requested the opportunity to review the Injured Workers Advisory Committee annual report prior to formal adoption of the strategic plan to ensure that recommendations contained in the report are considered.

19 Rate Setting Recommendation

WorkSafeNB's consulting actuary presented information to the Board, including nature and extent of changes to the system and claim trends, noting that duration rather than frequency of lost time claims is the key driver of cost.

He also reviewed the process used for the projection, noting it is difficult to predict new accident costs for the current and following years.

The Board confirmed the current claims backlog is at a normal level and has been accounted for in the projections.

He also noted unusual items impacting the workers' compensation system, including hearing loss and a lack of margin left in the funding ratio, which has required the "unusual material items" provision in the Board's funding policy to come into effect.

He also reviewed future challenges, including volatility in investment returns, potential benefit changes, increased attention to work related mental stress, and the potential for additional Board policies to be struck down by the WCAT.

He provided a preliminary estimate for the required 2019 assessment rate at the high end of the \$2.69-\$2.95 range as previously shared with stakeholders. In its preliminary discussions, the Board agreed it would be prudent to accept the consulting actuary's recommendation.

WorkSafeNB's President and CEO discussed the possibility of Board members scheduling meetings with party members and labour groups to help share key information for awareness and education purposes. WorkSafeNB's acting Director of Communications also noted the NB Medical Society has been very open to sharing key information.

20 Legislation Review

The agenda item began on September 26 and continued on September 27.

The Board noted the discussion on proposed legislative amendments will be principles-based.

WorkSafeNB's acting Corporate Secretary and General Counsel introduced Memorandum M18-60 related to legislative amendments. He noted that he and WorkSafeNB's Director of Planning and Policy have been in contact with PETL and this has been identified by PETL as a priority.

He explained that PETL is waiting for the Board's proposals on legislative amendments which would address some of the more vague recommendations by the Task Force. WorkSafeNB's

President and CEO and the Board noted it is critical that WorkSafeNB's recommendations align with the Task Force's recommendations. The Board agreed that any recommendations that do not fully align with the Task Force's recommendations would require stakeholder consultation.

The Board agreed that WorkSafeNB would maintain its existing legislated ability to have standing at WCAT appeal hearings and jurisdiction to refer matters to the Court of Appeal.

The Board agreed that Task Force recommendations related to the sharing of functional ability forms and the requirement for physicians to complete functional ability evaluations would be addressed through policy.

The Board agreed that all Task Force recommendations requiring legislative change would go to PETL at the same time, with the exception of the redrafting of the legislation, which will proceed in a second phase.

The Board directed staff to reformat the presentation related to proposed legislative amendments for review prior to its October 2018 meeting when recommendations will be finalized.

21 Adjourn

Motion to adjourn was carried at approximately 12:20pm.

Action Item Summary

- High risk industries:
 - Audiograms
 - When reviewing OHS changes

- Hearing loss policy update at November Board meeting