

Chapter 7

Saskatchewan Workers' Compensation Board— Administering Psychological Injury Claims

1.0 MAIN POINTS

The Saskatchewan Workers' Compensation Board (WCB) is responsible for administering workers' compensation claims in Saskatchewan, including psychological injury claims. Psychological injuries are often complex, generally more difficult to administer as a claim, and require more judgment than some other injuries (e.g., broken bone). WCB typically administers over 500 of these claims each year.

WCB revised its processes for administering compensation for psychological injuries due to changes in 2016 to *The Workers' Compensation Act, 2013*, that provides explicit rules for compensation for psychological injuries; these processes continue to evolve.

At December 31, 2021, WCB had effective processes, except in the following areas, to administer compensation claims for psychological injury. It needs to:

- Meet its target timeframe (i.e., within 14 business days) for assessing and communicating decision outcomes of psychological injury claim assessments. We found 17 of 30 claims we tested did not meet the target, and late claim decisions took between 15 and 43 business days to communicate. This may create delays for injured workers in receiving benefits and treatment.
- Regularly communicate with psychological injury claimants consistent with its expectations (i.e., check in every three weeks), to decrease the risk of WCB not adjusting workers' treatment plans if they are not progressing as expected.
- Establish formal guidance for what key information its Appeals Department requires to administer appeals and to communicate rationale of appeal outcomes. Lack of formal guidance increases the risk for unnecessary information requests or files containing insufficient information. This may result in delayed or unsupported appeal decisions, as well as further appeals occurring without documented decision rationale.
- Establish formal guidance for what information in psychological injury claim files WCB releases to employers during appeals. Staff having guidance on what claim file information to provide to employers decreases the risk of releasing confidential worker information. It also provides consistency in the instance of staff turnover.
- Conduct continuous quality reviews on psychological injury claim and appeal files.



Effective processes to administer psychological injury claims minimize delays in taking necessary steps for injured workers to receive appropriate support they need to improve their mental health, and return to work.

2.0 INTRODUCTION

The Saskatchewan Workers' Compensation Board (WCB) operates under the authority of *The Workers' Compensation Act, 2013*.

Section 20 of the Act provides WCB the exclusive jurisdiction to examine, hear, and determine whether an injury caused any condition or death with respect to compensation claimed, whether the injury arose from the course of employment, and the degree of functional impairment to a worker resulting from the injury. WCB is also responsible for determining and managing compensation provided to workers (e.g., employees unable to work due to injury) for accepted claims.

WCB protects registered employers from lawsuits when a workplace injury happens. It provides guaranteed benefits and programs to injured workers from different industries (e.g., healthcare, hospitality, transportation) as covered by the Act.

WCB uses premiums paid by employers in covered industries to fund costs of workers' compensation benefits and programs. It bases premiums on multiple factors such as claim costs, experience rating, and employer payroll.

The Workers' Compensation Act, 2013, section 28.1(1), describes a psychological injury as an injury (i.e., a diagnosable disorder), including post-traumatic stress disorder, as described in the Diagnostic and Statistical Manual of Mental Disorders.¹ Other psychological injury attributes can include anxiety, acute trauma, mood disorder, and depression.

We audited WCB's processes to administer compensation claims for psychological injury for the 12-months ended December 31, 2021.

2.1 Psychological Injury Claims

As shown in **Figure 1**, in 2021, for all types of injury claims received, less than 3% related to claims for psychological injuries; however, this proportion increased from 1.3% in 2016 when WCB made changes to its legislation.² In 2021, WCB accepted about 41% of claims for psychological injury compensation as compared to 28% in 2016.

In addition, as shown in **Figure 1**, although the duration of psychological injury claims are longer than for other types of injuries, the average claim cost is less.

¹ [dsm.psychiatryonline.org/doi/book/10.1176/appi.books.9780890425596](https://doi.org/10.1176/appi.books.9780890425596) (28 April 2021). The American Psychiatric Association publishes the Diagnostic and Statistical Manual of Mental Disorders (DSM) for the classification of mental disorders using a common language and standard criteria. The Manual does not include guidelines for treatment of any disorder, but rather provides criteria which guides in the assessment of and diagnosis for a psychological injury.

² Since 2016, WCB's legislation provides explicit rules for psychological injury compensation.

Figure 1—Saskatchewan WCB Claim Statistics

	2021	2020	2019	2018	2017	2016
Number of Workers Insured by WCB ^A	392,813	402,306	433,622	410,600	423,527	420,279
Total Claim Costs (in millions)	\$336.2	\$319.6	\$281.0	\$278.2	\$230.2	\$286.8
Total Number of all Claim Types Received by WCB	25,751	23,746	28,865	29,140	28,952	29,953
Average Duration in Days for All Claims ^B	40	45	42	42	40	43
Average Claim Costs for all Claims	\$18,802	\$17,833	\$13,100	\$12,451	\$10,355	\$12,291
Number of Psychological Injury Claims Received by WCB ^C	578	613	744	537	467	395
% of Psychological Injury Claims to All Types of Claims Received	2.2%	2.6%	2.6%	1.8%	1.6%	1.3%
Number of Psychological Injury Claims Accepted ^C	238	274	307	264	174	109
% of Psychological Injury Claims Accepted	41.2%	44.7%	41.2%	49.2%	37.3%	27.6%
Average Duration in Days for Psychological Injury Claims ^{B,C}	61	65	65	74	78	76
Average Claim Costs for Psychological Injury Claims^C	\$15,667	\$14,600	\$11,999	\$12,045	\$9,242	\$8,129

Source: Saskatchewan Workers' Compensation Board 2021 records and 2020 Annual Report, pp. 8 and 54.

^A Full-time equivalent (FTE) workers based on Statistics Canada average wage and WCB payroll information as of December 31. Does not include workers for self-insured employers.

^B Total days of time loss divided by the number of claims during the year.

^C From Saskatchewan Workers' Compensation Board records.

2.2 Importance of Mental Health

Good psychological health (mental health) is crucial to achieving overall health and well-being. The work environment can significantly affect mental health. Given an average Canadian worker spends 30 to 40 hours per week at work, it is important to maintain a psychologically healthy and safe workplace.³

Psychological illnesses are the number one cause of disability in Canada. It is estimated these illnesses cost the Canadian economy \$51 billion per year, \$20 billion of which results from work-related causes. Forty-seven percent of working Canadians consider work to be the most stressful part of daily life with mental health issues affecting mid-career workers the most, lowering the productivity of the Canadian workforce.⁴ Poor mental health directly affects workers' well-being, their colleagues, and their families. Left unmanaged, poor workplace mental health can lead to increased absenteeism, workplace conflict, high turnover, low productivity, and increased use of disability and health benefits.

The longer an injury claim lasts, the higher the total compensation paid, which may result in higher premiums paid by employers. The longer workers are away from work with an injury, the less likely they are to return to employment. After one year of absence, only 20% of workers return to work.⁵

³ Canadian Centre for Occupational Health and Safety. Mental Health. (2016). www.canada.ca/en/employment-social-development/services/health-safety/reports/psychological-health.html (21 March 2022).

⁴ Ibid.

⁵ The Canadian Society of Professionals in Disability Management, *Impact of Disability*, www.cspdm.ca/dm-in-context/impact-of-disability/ (21 September 2021).



Psychological injuries continue to rise in Saskatchewan with the highest number of psychological injuries occurring among first responders, and corrections and healthcare workers.⁶ WCB revised its processes for administering compensation for psychological injuries due to changes in 2016 to *The Workers' Compensation Act, 2013*, that provides explicit rules for compensation for psychological injuries (further described in **Section 4.1**); therefore, these processes are relatively new. The number of submitted psychological injury claims and their average cost has increased since 2016.

Effective processes to administer psychological injury claims minimizes delays in taking necessary steps for injured workers to receive appropriate support they need to improve their mental health, and return to work.

3.0 AUDIT CONCLUSION

We concluded, for the 12-month period ended December 31, 2021, the Saskatchewan Workers' Compensation Board had effective processes, except in the following areas, to administer compensation claims for psychological injury.

WCB needs to:

- **Establish formal guidance for key information required for appeals; for communicating rationale for the Appeals Department's appeal outcomes; and for what claim file information to release to employers during appeals**
- **Regularly communicate with psychological injury claimants consistent with its expectations**
- **Meet its target timeframe for assessing and communicating outcomes of psychological injury claim decisions**
- **Conduct continuous quality reviews on psychological injury claim and appeal files**

Figure 2—Audit Objective, Criteria, and Approach

Audit Objective: Assess the effectiveness of the Saskatchewan Workers' Compensation Board's processes, for the 12-month period ending December 31, 2021, to administer compensation claims for psychological injury.

The audit did not examine the Board Appeal Tribunal's process to review appeals, and the medical review panel process. The audit did not question medical opinions of mental health providers about claims for psychological injury.

Audit Criteria:

Processes to:

- 1. Establish psychological injury claim and appeal requirements consistent with legislation and good practice**
 - Set policies and procedures for administering claims and appeals (e.g., injury information from worker and employer, medical information)
 - Set performance measures and targets for administering claims and appeals
 - Communicate requirements about submitting claims and making appeals (e.g., eligibility, expected forms, and information) to stakeholders (e.g., workers, employers, medical practitioners)

⁶ Saskatchewan Workers' Compensation Board Annual Report for 2020, p. 54.

2. Assess psychological injury claim and appeal eligibility

- Use qualified personnel to assess eligibility of submitted claims or appeals (e.g., claims staff, mental health providers who provide medical information)
- Obtain required information to support claims and appeals (e.g., report of injury, mental health assessment)
- Screen eligibility (e.g., verify applicant information, assess applications meet established requirements, review and approval of outcome, update file with outcome)
- Notify key stakeholders of assessment outcome and rationale timely (e.g., compensation benefits)
- Periodically assess compensation benefits (e.g., adjust, extend)
- Monitor adherence with expected processes (e.g., file reviews, quality control, internal audit work)

3. Monitor performance of claim administration processes

- Analyze key performance information (e.g., measures and targets, trends, results of quality assurance, stakeholder feedback [e.g., complaints])
- Adjust requirements as necessary
- Periodically report key psychological injury claims information to senior management, the Board, and the public

Audit Approach:

To conduct this audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook—Assurance* (CSAE 3001). To evaluate WCB's processes, we used the above criteria based on our related work, reviews of literature including reports of other auditors, and consultations with management and an external advisor. WCB management agreed with the above criteria.

We examined WCB's criteria, policies, and procedures relating to administering compensation claims for psychological injury. We interviewed key staff. We tested a sample of claims files, including appeals to WCB's Appeals Department, to assess whether staff followed WCB's established processes. We also used an independent consultant with subject matter expertise in the area to help us identify good practice and assess WCB processes.

4.0 KEY FINDINGS AND RECOMMENDATIONS

4.1 Psychological Injury Claim Requirements Consistent with Good Practice

The Saskatchewan Workers' Compensation Board set claim requirements consistent with good practice, and consistent with other jurisdictions.

Since 2016, *The Workers' Compensation Act, 2013* provides explicit rules for compensation for psychological injuries. For claims compensating for psychological injuries, the Act includes a rebuttable presumption that, unless proven otherwise, if a worker or former worker is diagnosed with a psychological injury, that injury is presumed to be an injury that arose out of and in the course of the worker's employment.^{7,8}

Figure 3 shows the criteria WCB utilizes when assessing whether to accept a claim for compensation for a psychological injury.

Figure 3—WCB Psychological Injury Policy Requirements

A **psychological injury** is presumed to be an injury that arose out of and in the course of the worker's employment when all of the following criteria are met:

- The worker is, or the former worker was, exposed to a traumatic event
- The traumatic event arose out of and in the course of employment
- The traumatic event caused the worker or former worker to suffer a psychological disorder diagnosed in accordance with the Diagnostic and Statistical Manual of Mental Disorders (DSM)
- The psychological disorder is diagnosed by a psychologist or psychiatrist licensed to practice and make diagnoses

⁷ A rebuttable presumption is an assertion that is taken to be true unless it can be proven otherwise.

⁸ *The Workers' Compensation Act, 2013*, s.28.1(2).



A **traumatic event** means a single or series of events or incidents that arose out of and in the course of employment that may result in a psychological injury. This includes, but is not limited to:

- Direct exposure to actual or threatened death or serious injury to worker and/or others
- An event or series of events that are specific or sudden and generally accepted from a public perspective as being unusually shocking or horrific
- Workload or work-related interpersonal incidents that are excessive and unusual in comparison to pressures and tensions experienced in normal employment. These must be beyond the normal scope of maintaining employment from a public perspective

Source: Saskatchewan Workers' Compensation Board, *Injuries—Psychological* (POL 02/2017).

We found the requirements above consistent with good practice. For example, WCB's definition of a traumatic event is consistent with the definition in literature from the American Psychiatric Association.

WCB's psychological injury criteria were generally consistent with other Canadian jurisdictions that also have a rebuttable presumption about psychological injuries. For example, all jurisdictions had set the qualifications needed for a professional to make a diagnosis, and required the traumatic event to be an identifiable event that occurred to the worker. All jurisdictions require the diagnosis be made using the Diagnostic and Statistical Manual of Mental Disorders.

We found at least nine jurisdictions have a rebuttable presumption for psychological injuries in legislation (see **Figure 4**). Similar to Saskatchewan, most jurisdictions stated the presumption generally in the legislation, and then provided detail in policies available to stakeholders. Regardless of where the detailed requirements are provided, psychological injury claims in each jurisdiction are adjudicated on their own merits, using the adjudicative principles set out in their respective policy manuals.⁹

Figure 4—Canadian Jurisdictions with a Rebuttable Presumption for Psychological Injury at June 2018

Application of the Presumption		Jurisdiction									
		BC	AB	AB ^B	SK	MB	ON	NB	NS	PEI	YK
Disease	Psychological injury	✓	✓		✓					✓	
	Post-traumatic stress disorder ^A			✓		✓	✓	✓	✓		✓
Occupation	All workers		✓		✓	✓				✓	
	First responders	✓		✓			✓	✓	✓		✓

Source: www.mun.ca/safetynet/projects/PTSD_Presumptive_Coverage.pdf (17 March 2022).

^A These jurisdictions' rebuttable presumption is specific to post-traumatic stress disorder, which is a type of psychological injury.

^B Alberta has two presumptions, one specific to first responders, and another that covers all workers.

Setting clear requirements consistent with good practice is necessary to administer psychological injury claims effectively.

⁹ www.mun.ca/safetynet/projects/PTSD_Presumptive_Coverage.pdf (17 March 2022).

4.2 Requirements for Compensation Claims and Appeals Clearly Communicated

The Saskatchewan Workers' Compensation Board sufficiently communicated to stakeholders (e.g., workers, employers, and mental health providers [e.g., psychologists]) the requirements necessary to apply for psychological injury compensation benefits and submit appeals.

WCB uses its website to communicate requirements for submitting injury compensation applications, appeal applications and other information (e.g., progress reporting) to stakeholders. The website also provides access to necessary forms and process documents. We found the website easy to navigate, providing clear and sufficient information about applying for compensation benefits as well as for appeals.

WCB requires information from key stakeholders to adjudicate a psychological injury claim. It uses standard reporting forms for these stakeholders to submit claim information.

Providing stakeholders with accessible, easy to understand information about WCB's requirements to apply for compensation benefits and appeals keeps them informed on how the process works and what information WCB requires from each stakeholder. It also guides stakeholders to provide complete information.

4.3 Qualified Staff Adjudicate Psychological Claims and Appeals

The Saskatchewan Workers' Compensation Board uses qualified staff and advisors to adjudicate claims and assess appeals. It also uses qualified mental health providers for treatment of workers with psychological injuries.

Psychology Consultant

WCB retains an in-house psychology consultant (e.g., psychologist) to provide advice on complex cases and instances where an injured worker's treatment is not achieving expected results. We found the consultant to be appropriately qualified and their contract consistent with good practice.

Psychological Claims Staff

WCB's Operations Division is responsible for handling claims and benefit payments for injuries. In 2019, WCB reorganized its staff in this Division to make one specific unit solely responsible for assessing and managing psychological injury claims—the Psychological Injuries Unit. At November 2021, the Psychological Injuries Unit had eight positions; one manager, five case managers called Customer Care Facilitators (three in Regina and two in Saskatoon), a dedicated case management support staff, and a dedicated payment specialist. Other staff within WCB support this Unit.

Case managers may consult with WCB's psychology consultant to help guide decisions and treatment of workers with psychological injuries.



WCB appropriately uses job descriptions to set out expected educational and experience requirements for its staff involved in adjudicating claims. It expects case managers to have a diploma with four years of related experience or a degree plus one-year experience in claims management.¹⁰

WCB also provides comprehensive training for new case managers and a training manual that includes topics such as how to adjudicate a psychological injury claim, how to request medical reports or missing information, and how to assist clients to transition when no longer eligible for benefits. Our review of training materials found them to be consistent with WCB's current practice for adjudicating claims.

Appeals Department Staff

The Appeals Department is responsible for reviewing claim appeal information, along with making, and communicating, appeal decisions. At November 2021, the Appeals Department consisted of 11 positions (one manager and 10 appeals officers).

No formal training program exists for new appeals officers. However, appeals officers need a university degree and experience working with case management (e.g., previously worked as a case manager), or a diploma with six years of experience. Appeals officers may also take optional classes in administrative justice such as interpreting legislation and writing effective decisions.

We found all job descriptions (claims and appeals) to be consistent with good practice. We tested a total of 10 psychological claims or appeals staff and found their experience and education aligned with the requirements of their job descriptions.

Having qualified and trained staff in place to adjudicate claims, monitor treatment, and assess appeals helps workers and employers receive fair and consistent claim and appeal decisions, and appropriate treatment.

Mental Health Providers

WCB has an adequate process to accredit mental health providers (check credentials). At December 2021, WCB had a list of 20 accredited psychologists on its website (psychologists who agree with having their names publicly available). We found all psychologists registered with the Saskatchewan College of Psychologists, except one psychologist who moved to another province, and therefore was not registered in Saskatchewan.

Mental health providers diagnose workers' injuries and provide treatment for psychological injuries.

4.4 Objective Staff Adjudicate Claims

The Saskatchewan Workers' Compensation Board has a process for its staff to declare any conflicts of interest when adjudicating psychological injury claims. This helps to make sure staff remain objective.

¹⁰ Degree or diploma in healthcare or disability management.

WCB restricts staff access to claim files when a staff member declares a conflict of interest. Once the file is restricted, staff must log in and note their purpose for accessing the file. We found file access information available in an ad hoc report indicating who accessed the file, on what date, and for what purpose. In our 30 psychological injury claim files tested, we found no declared conflicts of interest.

Staff are also required to acknowledge their understanding of WCB's code of conduct (includes conflict of interest) annually. For two case managers and two appeals officers tested, we found one of four staff signed off on the code of conduct in the last year as expected. The other three staff had signed off within the last seven years. WCB also provided targeted code of ethics and professional conduct training to all staff in 2018, including the four staff we tested. We encourage WCB to ensure staff acknowledge the code of conduct annually as it expects.

Having objective staff adjudicating psychological claims reduces the risk of bias, either real or perceived.

4.5 Appropriate Policies and Procedures for Adjudicating Claims

The Saskatchewan Workers' Compensation Board maintains up-to-date, clear policies and procedures to guide the adjudication of psychological injury claims.

Sufficient WCB policies and procedures exist to guide staff in assessing and managing compensation files. WCB's *Policy and Procedure Manual*, last updated November 2021, includes all compensation and appeal policies, including for psychological injuries.¹¹ The psychological injury policy came into effect in December 2016. On average, WCB administers over 500 psychological injury claims per year.

WCB's policies and procedures for psychological injuries address the following key areas:

- Forms used to obtain information to assess a claim such as worker, employer and mental health providers' initial and ongoing reports
- Defined processes to guide staff in assessing and managing claim files, including assessment requirements, criteria, and expectations/timing of communication with key stakeholders (e.g., workers, employers)
- Escalation processes—defines processes for escalating complex claims (e.g., appeals)
- Guidelines to calculate compensation benefits including formulas and prior weeks of work
- Delegation of Authority (i.e., establishes authority for case managers to approve or reject claims)

In practice, WCB reasonably identifies psychological injury situations that are more complex and may require medical expert advice. For example, a complex situation may

¹¹www.wcbsask.com/sites/default/files/2021-11/SK%20WCB%20Policy%20%26%20Procedure%20Manual%20-%20November%202021.pdf (22 December 2021).



include a situation when a worker has pre-existing mental health conditions and, as a result, WCB has difficulty determining whether a worker's employment directly led to a traumatic event as defined in policy. WCB's processes confirm the impact of pre-existing conditions by obtaining a mental health assessment for the worker from a mental health provider.¹²

WCB told us it could take a lengthy amount of time to obtain a mental health assessment. Case managers try to avoid requesting these assessments due to the intensity and stress it can cause a claimant (i.e., typically takes a day to complete and requires the injured worker to discuss the traumatic event). Therefore, if there is reasonable evidence a traumatic event occurred, the case manager will not request this assessment.

The case manager requested a mental health assessment for the worker for two of the 30 psychological injury claims tested. We did not identify any claims that we tested where there was evidence the case manager should have requested a mental health assessment, but did not (e.g., complex situations identified above).

No specific guidance exists for when staff are required to seek medical advice from WCB's psychology consultant when adjudicating psychological injury claims. In our testing of 30 psychological injury claim files, we did not see any situations where case managers sought medical advice from the psychology consultant during the claim adjudication. WCB staff indicated that due to time constraints, staff do not often seek additional medical advice. We suggest WCB consider creating guidance for case managers as to when to use its psychology consultant when administering claims.

In our testing of the 12 accepted psychological injury claims, we found one instance where a case manager used the psychology consultant in a case where the worker was not progressing as expected during treatment. The psychology consultant recommended a change in mental health provider.

4.6 Appropriate Standardized Injury Forms Used

In order to assess psychological injury claims, the Saskatchewan Workers' Compensation Board case managers require complete information from workers, employers, and mental health providers. We found forms used to collect information were reasonable.

WCB collects information from key stakeholders (e.g., worker, employer, mental health providers) using standardized forms. This includes information that staff need to initially assess and adjudicate the psychological injury claim (e.g., injury details, medical support). It also collects information to manage ongoing claims (e.g., progress reports). WCB has made these forms available on its website.

WCB received initial injury reports from the worker and employer for all claims. WCB received the other forms as needed, depending on who the worker went to and treatment chosen. The most used standard forms include:

➤ Employer's Initial Injury Report and Worker's Initial Injury Report

¹² A mental health assessment is a psychological evaluation completed by a WCB-accredited mental health provider. It includes an assessment and diagnosis of a disorder or confirmation of a diagnosis, and recommended treatment and return-to-work plan.

- **Psychology—Initial Assessment Report:** Mental health providers complete this when they first see an injured worker
- **Psychology—Progress/Discharge Report:** Mental health providers complete this to update WCB about an injured worker's status
- **Physician—Initial Report:** Physician examining the worker completes this when they first see an injured worker who has a WCB injury claim
- **Physician—Progress/Discharge Report:** Physicians complete this to update WCB on the injured worker's status
- **Mental Health Assessment Template:** Mental health providers complete this when conducting a mental health assessment

We found WCB appropriately designed these forms to obtain the information it needs to adjudicate claims, except for the Psychology Initial Assessment Report and Mental Health Assessment templates. These forms request the user to obtain a Global Assessment of Functioning Score.¹³ We found this scoring tool is no longer considered good practice in the psychology field since July 2021. WCB last reviewed these forms in 2017. We observed mental health providers completed this score (e.g., on mental health assessments). We suggest WCB revise these forms for this change in good practice.

Receiving complete and consistent information from workers, employers, and mental health providers allows WCB to adequately assess and adjudicate psychological injury claims.

4.7 Rationale Documented and Communicated to Stakeholders for Psychological Injury Claim Decisions

The Saskatchewan Workers' Compensation Board's case managers obtain sufficient support and document rationale when making decisions on psychological injury claim files, and appropriately communicate the claim decision to workers and employers.

Case managers make claim decisions (i.e., accept or deny application) based on information provided by the employer and worker in addition to medical information provided by a doctor (e.g., initial report from a general physician or psychologist the worker visited). These reports may include information on the worker's medical condition and status of their ability to continue their job duties (e.g., recommendation to be off work). Additionally, case managers use this information to assess whether there is evidence to suggest the worker is experiencing symptoms that align with a psychological injury diagnosis (e.g., post-traumatic stress disorder [PTSD]).

In our testing of 30 psychological injury claim files, we found case managers obtained sufficient information from stakeholders (e.g., workers, employers) in order to make decisions in accordance with WCB policies and legislation. For each of these claims, we found that case managers appropriately assessed claims, documented their decision to

¹³ The Global Assessment of Functioning (GAF) is a numeric scale used by mental health clinicians and physicians to subjectively rate the social, occupational, and psychological function of an individual (e.g., how well one is meeting various problems in living). Scores range from 100 (extremely high functioning) to 1 (severely impaired).



accept or deny the claim, and included rationale for their decision (e.g., reference to relevant policy section, summary of case facts).

Of the 30 psychological injury claims we tested, case managers accepted 12 claims and denied 18 claims. This is comparable with WCB's overall claims acceptance average (41% as shown in **Figure 1**— accepted 238 of 578 claims received in 2021).

All 12 accepted psychological injury claims we tested contained either evidence of a formal diagnosis (e.g., mental health assessment or mental health provider's recommendation) or contained a strong correlation between a workplace incident and the worker's mental state (e.g., witnessed fatality at work, a first responder experiencing cumulative exposure to traumatic events).

WCB's policy is to accept a psychological injury claim with a diagnosis from a mental health provider.¹⁴ In our testing of the 12 accepted claims, we found at the time the claim was accepted, two had a diagnosis from a mental health provider. We found the other 10 accepted psychological injury claims to be reasonable and consistent with good practice as there was strong evidence in all instances that a psychological injury occurred at work.

Once WCB receives evidence that a psychological injury occurred at work, it connects the injured worker to treatment where they receive a diagnosis and begin treatment with a mental health provider. In some instances, a worker may receive treatment during the adjudication process (i.e., prior to WCB decision), due to the importance of early intervention which may lead to decreased injury and claim duration and risk of further injury. For eight of 12 accepted psychological injury claims we tested, we found the worker accessed a mental health provider for treatment. For all these claims, the provider was included on the list of WCB accredited mental health providers. For the remaining four accepted claims tested, we found the claimant either had not yet started treatment at time of testing in early January 2022 (two of 12 were claims recently submitted in December 2021) or had not requested treatment (i.e., two of 12 returned to work with little time off and did not receive significant compensation).

In all 18 rejected psychological injury claims tested, it was apparent that the case manager would reject the claim, regardless of whether they obtained a formal diagnosis, as it would not meet the criteria (e.g., argument with co-worker or stress due to a negative performance review at work).

See **Figure 5** for further information about psychological injury claims by diagnosis and **Figure 6** by occupation.

Figure 5—Saskatchewan WCB 2021 Psychological Injury Claim Statistics by Diagnosis

Diagnosis	Accepted Claims	Rejected Claims
Anxiety	91	164
Post-Traumatic Stress Disorder	95	22
Stress	19	99
Depression	8	28
Other	25	19
Total	238	332

Source: Adapted from WCB 2021 records.

¹⁴ The psychological disorder is diagnosed by a psychologist or psychiatrist licensed to practice and make diagnoses.

Figure 6—Top Five Saskatchewan Occupations with Accepted and Rejected Psychological Injury Claims in 2020

Accepted Claims		Rejected Claims	
Occupation		Occupation	
Correctional Service Officers	51	Nurse Aides	41
Paramedics	30	Registered Nurses	15
Registered Nurses	24	Community/Social Service Workers	15
Police Officers	23	Bus Drivers/Transit Operators	11
Nurse Aides	16	General Office Clerks/Food Counter Workers	Both of these occupations had 10

Source: Adapted from WCB 2020 records.

Additionally, WCB developed formal templates (i.e., decision letters) to guide staff when they communicate claim decisions to stakeholders. For all 30 psychological injury claim files we tested, we found that case managers appropriately communicated the claim decision to workers and employers.

Effectively communicating the status of injured workers' claim decisions reduces the risk that workers are unaware of their claim status or expectations that WCB may require of them (e.g., next steps for treatment). When WCB also informs both workers and employers, there is a reduced risk of miscommunication, which could lead to further delays or additional action (e.g., appeals).

4.8 Appropriately Paying and Monitoring Compensation Benefits

The Saskatchewan Workers' Compensation Board has an appropriate process to calculate and to monitor compensation benefits for psychological injury claim files.

Once a case manager accepts a claim, the payment specialist will work with the employer and worker to obtain information WCB requires for calculating the appropriate compensation benefits. The payment specialist verifies the accuracy of this information and enters it into WCB's system, which calculates the payment amount and schedule (e.g., biweekly payments).

The payment specialist periodically assesses whether the current payment is correct. For example, as a worker starts a gradual return-to-work plan, WCB may adjust the payment schedule to align with the modified work schedule. If the payment specialist determines an adjustment is necessary, they will update the information in the system to recalculate the benefit payment. On average, in 2021 WCB paid \$15,667 per psychological injury claim.

In our testing of 10 psychological injury claim files with benefit payments, we found the payment specialist appropriately obtained sufficient information and calculated the benefit payment in accordance with legislation. Additionally, we observed that staff periodically and appropriately assessed whether benefit payments were correct (i.e., considered whether workers' status changed).



Periodically assessing compensation benefits decreases the risk that WCB may pay benefits that do not agree with current information (e.g., overpayments). Having processes to monitor benefit payments helps ensure they are paying workers and employers appropriate benefits.¹⁵

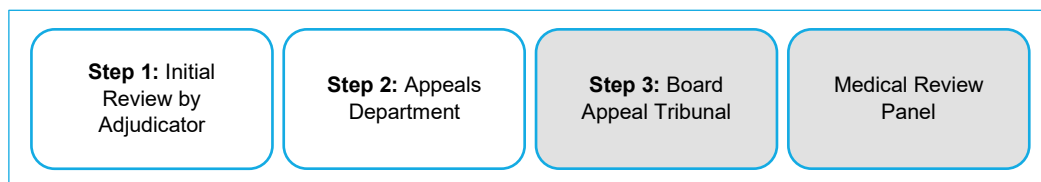
4.9 Guidance Missing for Appeal Decision Support and Communication

The Saskatchewan Workers' Compensation Board maintains up-to-date, clear policies and procedures to guide the assessment of psychological injury claim appeals; however, its guidance does not identify what information it needs from case managers for appeal files. WCB also does not provide sufficient guidance for communicating appeal decisions of psychological injury claims to workers and employers.

Workers or employers have the right to appeal WCB decisions on injury claims (e.g., denial of claim, termination of benefits). There are three steps in the appeals process as well as consideration by a medical review panel, with a formal decision at each appeal step. See **Figure 7**. The scope of this audit included the first two steps in the process.

- **Step One** (Initial Review): claim case managers answer questions from workers, employers, or advocates about decision disagreements either by phone or email¹⁶
- **Step Two** (Appeals Department): if a worker or employer still disagree after receiving the decision in step one, they can appeal in writing to WCB's Appeals Department

Figure 7—WCB Appeals Process



Source: Adapted from information provided by WCB.

The scope of this audit did not include the shaded processes, including step three (Board Appeal Tribunal), and the Medical Review Panel.

WCB's Appeals Department administered about 1,170 appeals in 2021 for all types of claims (2020: 1,400). About 50 appeals related to psychological injury claims, with 12% (six of 50) of claim decisions overturned after the appeal.

Appeals officers in the Appeals Department conduct file reviews and consider relevant legislation and policy when making an appeal decision (i.e., accept or deny). Appeals officers may also decide to return claim files to case managers to obtain additional, necessary information (e.g., whether worker had a permanent reduction of abilities, more information on worker history) to make appeal decisions. The case manager collects the information and returns the file to the appeals officer if the information does not change the case manager's decision.

¹⁵ WCB reimburses employers who pay injured workers directly.

¹⁶ Workers may decide to use the Office of the Workers' Advocate for assistance in making appeal decisions and for worker representation. www.saskatchewan.ca/business/safety-in-the-workplace/assistance-for-wcb-claims-and-appeals#how-the-owa-can-help (21 March 2022). WCB also has a Fair Practices Office to assist workers or employers with all questions related to WCB practices. www.wcb-sask.com/fair-practices-office (21 March 2022).

Our testing of 10 Appeals Department files found:

- All 10 files included sufficient information to initiate an appeal including the appealable issue (e.g., denial of claim).
- All 10 appeal decisions appropriately supported by information in the injured worker's claim file.
- Two instances where an appeals officer returned psychological injury claim files to case managers. While the appeals officers followed the process to obtain additional information, we found inconsistencies in the information they considered significant enough to request. For example, requests for additional information (e.g., history of employment) did not directly align with the psychological injury criteria.
- In our testing of 10 Appeals Department files, we found appeals officers communicated the appeal decision (i.e., accept or deny). However, we found inconsistencies in the appeal decision rationale in 30% (three of 10) of communications to stakeholders (e.g., one item did not reference policy or legislation; two items with unclear supporting rationale).

We noted WCB does not have documented guidance for what key information appeals officers need in the file to support appeal decisions (e.g., information checklist for Appeals Department staff to consider during an appeal). This increases the risk that appeals officers request unnecessary information, or there is insufficient information in the file, which may result in delayed or unsupported appeal decisions.

In addition, we found the appeals decision template does not provide appeals officers with sufficient guidance on what information to communicate to stakeholders about the results (i.e., appeal decision) of the appeal and the rationale (e.g., how the decision aligns with policies and legislation). Inconsistently and not clearly communicating rationale for appeal results to stakeholders increases the risk of additional appeals and increased costs (e.g., Board appeals, additional conversations explaining decision) as stakeholders may not understand the decision and how the appeal decision aligns with policies and legislation.

1. **We recommend Workers' Compensation Board develop formal guidance about key information appeals officers need to support and communicate psychological injury claim appeal decisions to stakeholders.**

4.10 Guidance Needed When Releasing Claim Information

The Saskatchewan Workers' Compensation Board does not have sufficient guidance for staff on what information about a worker it expects to release to employers.

Employers may request a copy of a worker's claim file during an appeal. The claim file provides the employer with information about the claim and the worker's history. This



information helps employers make decisions on the claim's impact (e.g., decision to appeal, apply for cost relief).¹⁷

WCB has a privacy policy, which sets out the steps to take in sharing claim file information with stakeholders. Information to employers may include basis for decisions without disclosing specific personal or health information. However for appeals, no formal guidance exists for staff in deciding what specific information to provide to employers for purposes of an appeal (i.e., determining what information is relevant to the claim decision).

In our sample of 10 appeal files, one file contained a request from an employer for a copy of the worker's file. For this item, the reason for the appeal was the employer believed it did not receive sufficient information from its first request for information in the worker's file. For this item, during the appeal, we noted WCB identified the employer received insufficient information from WCB to make a decision on whether to apply for cost relief.

Not having guidance for staff on what file information WCB expects to provide to employers increases the risk that they may provide confidential worker information. This risk increases in the instance of staff turnover or new staff managing claims or appeals. Additionally, WCB may not provide sufficient information to inform the employer of its decision-making.

2. We recommend Workers' Compensation Board develop formal guidance for staff on what file information for psychological injury claims to release when an employer requests information during an appeal.

4.11 Performance Measures Established, But Not Consistently Met

The Saskatchewan Workers' Compensation Board established performance measures for assessing and managing psychological injury claim and appeal files; however, they inconsistently met those expectations (e.g., untimely claims assessments).

Claims

The Psychological Injuries Unit uses a monthly scorecard metric to monitor its performance in managing psychological injury claims. See **Figure 8** for some key performance measures within the scorecard.

Figure 8—Excerpts from Psychological Injuries Unit Scorecard

Performance Measure	Target during 2021	Results during 2021
Initial Claim Decision (i.e., time to make decision)	14 business days	Monthly average target met in 2 of 12 months
Three-week, proactive calling (i.e., staff contact the claimant at least once every three weeks)	90% of claims during the month	Met target in 1 of 12 months

Source: Adapted from information provided by WCB.

As shown in **Figure 8**, WCB expects staff to make decisions and communicate results within WCB's target of 14 business days. WCB did not meet its target in 10 of 12 months in 2021.

¹⁷ WCB may provide cost relief (claim cost may not increase employer's premium) to employers if a worker's claim is determined to be eligible for cost relief. WCB may award cost relief if it determines the injury was from a pre-existing condition or injury following return to work.

We also found in our testing that staff are not always making decisions on claim files in a timely way. We found 17 of 30 claims we tested did not meet the 14-day target. Of the claims that did not meet this target, staff communicated the claim decision between 15 and 43 days (i.e., 1–29 days late) after WCB received the claim.

Not adjudicating claims on time creates delays for injured workers to begin receiving benefits and treatment.

3. We recommend Workers' Compensation Board make decisions on psychological injury claim applications consistent with its established target (i.e., within 14 business days).

As shown in **Figure 8**, WCB expects staff to contact the claimant at least once every three weeks. WCB met this expectation for only one month in 2021.

In our testing, we found in three of 12 claims where the claim extended beyond three weeks, WCB staff did not communicate with the worker (e.g., email, documented phone conversation) during the three-week period.

Regular communication with workers decreases the risk that their claim status may change or that WCB does not adjust the workers' treatment plans if they are not progressing as expected.

4. We recommend Workers' Compensation Board regularly communicate with psychological injury claimants consistent with its established timeframe (i.e., at least every three weeks).

Appeals

WCB has also set a goal to assess appeals and communicate the decision (i.e., accept or deny) to employers and workers within 30 days of an appeal's registration. This relates to all types of claims, not just psychological injury claims. The Appeals Department uses the average monthly appeal duration to monitor whether it meets this goal on a monthly basis. In 2021, the Appeals Department used a scorecard to track whether it achieved this goal; it met this goal for 10 months.

The Appeals Department reported some information quarterly to the Board. For example, it reported how many appeals it received but had not assessed. At September 30, 2021, the Appeals Department had a backlog of 64 appeals with none of these appeals older than 15 days.

In our testing of 10 appealed psychological injury claim files, we found two appeals where WCB did not meet its target to communicate the decision within 30 days. These two files ranged from 31 to 36 days (one to six days late).

Overall, WCB has adequate processes in place to periodically report key psychological injury claim information to senior management (i.e., monthly scorecards), the Board (i.e., quarterly statistics), and the public (i.e., annual report).

We found the Psychological Injuries Unit prepared and discussed the results of its measures during monthly meetings.



We found management provided appropriate reporting quarterly to the Board about psychological injury claims. For example, we found it provided a status update each quarter on WCB's decision to implement the Psychological Injuries Unit (e.g., creating a single point-of-contact for claimants).

We also found WCB's annual report included significant information on claims and appeals. For example, the 2020 annual report presented trends in the number of psychological injury claims received and accepted.

Having processes to establish and monitor key performance indicators helps WCB continue to improve the service it provides to stakeholders (e.g., efficiency of claim adjudications) and identify areas where they can improve (e.g., timely communication of decisions).

4.12 Continuous Quality Reviews Needed for Claims and Appeals

Injured worker claim files are subject to quality reviews; however, quality reviews did not occur as expected and the Saskatchewan Workers' Compensation Board has no established quality review process for claim and appeal files.

For the quality review of psychological injury claim files, the Manager of the Psychological Injuries Unit completes a review of each claim file at 12-weeks (i.e., system automatically generates a task for the Manager to review a claim file after it has been active for 12 weeks). WCB developed a checklist to guide staff when completing this review. However, during 2021, the Manager did not document evidence of these reviews, and we found no record of either the completed checklist or other evidence of this review in the claim file.

Additionally, WCB's Service Excellence department has a quality review program to look at a sample of injury claims (all types of injuries, not just psychological). When performing these reviews, staff examine whether the case manager obtained sufficient information, made an appropriate decision, and followed expected processes (e.g., regular communication with the worker, claim screened on time).

However, in 2021, Service Excellence did not conduct any quality reviews of psychological injury claim files, and did not perform as many quality reviews as planned. Its goal is to review 20 claim files per month (all types of injuries), or 240 files per year (out of about 26,000 total claims in 2021), for quality. Service Excellence completed 92 file reviews (about eight per month) in 2021. Staff indicated this was due to staffing issues (e.g., Service Excellence department is responsible for training new claims staff and WCB experienced higher than expected staff turnover).

WCB has not established a formal quality review process for its Appeals Department appeal files (all types of claims), including for psychological injury claim appeal files. WCB indicated it started developing a quality review program (e.g., hiring a quality review position); however, there is no formal process to review the quality of appeal files. During 2021, WCB did not complete any quality reviews of appeal files for psychological injury claims.

Not having an effective quality review process increases the risk of WCB not detecting instances of non-compliance with its policies and processes, or not identifying opportunities

to continually improve its processes. This increases the risk that injured workers may experience less than optimal outcomes such as delays in receiving appropriate treatment for injuries, as well as may increase the risk of additional appeals occurring.

5. We recommend Workers' Compensation Board implement ongoing quality reviews for psychological injury claim and appeal files.

4.13 Stakeholder Feedback Led to Improved Processes

The Saskatchewan Workers' Compensation Board has sufficient processes to obtain and track stakeholder feedback, and to consider whether staff can implement process improvements.

Case managers primarily address stakeholder concerns on a case-by-case basis as part of the ongoing claims management process. For example, if a worker has concerns about their treatment, they may discuss it with a case manager to resolve any concerns.

During 2021, WCB started using a central spreadsheet to track stakeholder feedback (e.g., complaints received). It uses this information to monitor how staff addressed situations stakeholders reported to WCB (e.g., steps taken to resolve conflict or concerns). It logged 23 complaints received from December 1, 2021 to February 24, 2022. We found the spreadsheet adequately documented WCB's resolution of complaints.

WCB uses feedback from stakeholders to update its processes and policies. For example, during 2021, WCB revised its process for psychological injury claims to have only one staff responsible for managing each claim (i.e., previously, separate staff adjudicate and manage an active claim). Claimants provided feedback that they appreciate having one dedicated case manager (e.g., helps improve communication efficiency, do not have to re-share traumatic details to multiple WCB staff).

Having adequate methods to assess current processes periodically, helps WCB adjust and improve its administration of psychological injury claims.

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