



# Estimates of the Nature and Extent of Claim Suppression in British Columbia's Workers Compensation System

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# Overview

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1. Purpose
2. Terminology
3. Methods
4. Key findings
5. Comparison with other studies

# Purpose of the Research

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- To investigate the nature and approximate extent of claim suppression in the workers' compensation system of British Columbia

# Terminology

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It is important to distinguish **under-claiming**, **claim misrepresentation** and **claim suppression**:

- **Under-claiming:** workers who appear to be entitled to a WorkSafeBC benefit, but choose not to submit a claim, or having submitted a claim, choose not to proceed with the claim. Under-claiming may or may not be the result of improper employer pressure.
- **Misrepresented Claims:** claims that are submitted as a medical benefits-only notwithstanding that the injuries or diseases involved lost working time.
- **Claim Suppression:** overt or subtle actions by an employer to discourage a worker from reporting a work-related injury or disease or claiming WorkSafeBC benefits to which he or she would likely be entitled. It includes improperly offering a worker continued wages in lieu of the worker submitting a claim for lost earnings.

# Methods: overview

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Two types of data analysis:

1. Surveys of workers and employers about their perceptions of claim reporting practices and practices that could involve pressure on the worker not to report or to underreport a claim.
2. Analyses of randomly selected accepted no-lost-time claims files ('medical benefits only' claims) and files pertaining to lost-time claims that had been rejected, suspended or abandoned, to identify possible anomalies in the files.

**Note:** Research strategy similar to study for the Workers Compensation Board of Manitoba by Prism Economics and Analysis. (Also some similarity to claim file analysis by Prism for the Ontario Workplace Safety and Insurance Board.)

# Methods: Worker Survey



- Web-based survey of 699 residents of B.C. who experienced a self-reported, work-related injury or disease within past three years.
- Participants recruited from large pool of persons randomly recruited by Ipsos to participate in web surveys. Responses were for most recent work-related injury.
- Conducted in 2019 and early 2020 in three waves:
  - 349 persons randomly selected from Ipsos panel
  - 251 persons who indicated educational attainment was trade qualification or less (This category was under-represented in the first wave.)
  - 99 respondents to the survey conducted in Cantonese, Mandarin and Punjabi (three largest non-English-speaking language groups in B.C.)

# Methods: Employer Survey



- Telephone survey (by Ipsos) of employer representatives.
- Conducted in February and March 2020 in two waves.
  - 100 respondents from sampling stratified across all industries based on share of reported WorkSafeBC claims.
  - 50 additional respondents for construction and transportation and warehousing, chosen because of higher claims incidence.
- Surveys typically answered by a human resources manager or, for small enterprises, the owner-operator.



# Cautions in interpreting the survey results

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- Based on respondents' perceptions and recollections.
- Samples were broadly representative of B.C. labour force and economy, but we deliberately oversampled some categories of workers more likely to have experienced claim suppression, and employers in two industries with higher claims incidence.
- The worker survey may have included persons not covered by B.C.'s Workers Compensation Act.

# Methods: claim file analysis



- Two random samples of claims processed between 2016 and 2019 were administered by WorkSafeBC: NLT claims (n=1,043); rejected, suspended or abandoned lost-time claims (n=601). WorkSafeBC staff reviewed the files; anonymized data sent to research team.
- NLT claim files analyzed to identify “risk flags” suggesting the incident may have entailed lost working time (e.g., medical reports recommending time off work).
- Rejected, suspended or abandoned LT claim files analyzed for evidence that would raise doubts as to why the worker did not proceed with the claim and whether there were any indicators of possible suppression.

# Cautions in interpreting the claim file data

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- File data alone do not allow a definitive conclusion that a particular no-lost-time (NLT) claim should have been treated as a lost-time (LT) claim or that an LT claim that was rejected, suspended or abandoned should have proceeded.
  - A medical practitioner may have recommended time off work unaware the employer had accommodated RTW through modified work arrangements.
  - An incident that involved lost working time could be reported as NLT because the worker preferred to access lost earnings benefits through a sick leave plan or some other source.
  - A claim may have been abandoned because initial information about the incident being work-related was incorrect.
  - A claim may have been abandoned because the worker was not covered by WorkSafeBC.

# Developing plausible estimates of the range of risk

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- While neither survey evidence nor file analysis enables us to draw definitive conclusions, the evidence provides a basis for estimating plausible ranges of the risk of under-claiming, misrepresentation and claim suppression in the B.C. workers compensation system.
- For each type of evidence, we developed risk flags, some more broadly conceived, some more conservative, to establish a range of risk.

# Key findings

# Worker Survey Findings: Underclaiming (1)



- Analysis of under-claiming focused on workers reporting 2+ days of lost working time. They represented 57.8% of the sample.
- For cases meeting this threshold, 53.7% did not submit a claim to WorkSafeBC.
- 26.7% of respondents with 2+ days of lost time received wage continuation from their employer or through a sick leave plan.

# Worker Survey Findings: Underclaiming (2)



- Under-claiming is more common among:
  - *Immigrants,*
  - *workers with lower educational attainment,*
  - *workers who are not union members,*
  - *employees of small employers, and*
  - *those who work on a temporary basis.*
- Main reasons for under-claiming:
  - *lack of knowledge about entitlement or how to apply for benefits (40.1% of those with 2+ of lost working time)*
  - *not believing that it was worth the time (35.9%)*
- Perceived pressure not to claim (including from colleagues) was reported in 14.3% of the subsample.

# Worker Survey Findings: Claim Suppression (1)



- Estimates of approximate incidence of claim suppression range from 3.7% of the sample to 13.0%, with estimates towards the lower end being more likely.
  - 26 respondents (3.7%) lost 2+ days of work time and reported they did not apply for WorkSafeBC benefits because they thought they would ‘get into trouble’ or their employer ‘pressured’ them not to apply.
  - If we add cases where fellow employees encouraged the worker not to apply because ‘they feared they would lose a bonus’, the number rises to 31, or 4.4% of the sample.
  - If we look at all cases (regardless of whether or not the worker filed a claim) where respondents said the employer asked them not to report lost time and/or threatened repercussions, the number is 91, or 13.0% of the sample.



# Worker Survey Findings: Claim Suppression (2)



- About 1/3 of respondents who reported claim suppression behaviour also reported that their employer assisted them in filing their report to WorkSafeBC.
- 40.7% of employers whom survey respondents described as engaging in claim suppression behaviour operated incentive schemes for being accident-free compared to 6.4% of employers whom survey respondents did not describe as engaging in this behaviour.

# Employer Survey Findings



- 72% of employers provided a sick leave/disability plan and/or medical benefits plan. 21.3% of these employers (15.3% of total sample) allow employees to access benefits through one of these plans instead of claiming WorkSafeBC benefits.
- 10.7% reported they provide a bonus or incentive to their employees to maintain an accident-free workplace.
- 6.0% reported their belief that, in their industry, lost-time injuries are ‘rarely or never’ reported to WorkSafeBC (which is within the range of suppression estimates from the worker survey).
- 26.7% reported their belief that, in their industry, lost-time injuries are reported to WorkSafeBC as no-lost-time injuries ‘all the time or almost all the time.’ 25.3% expressed belief that NLT injuries were “rarely or never” reported to WorkSafeBC.

# Key Findings from Analysis of NLT files (1)



- This focused on anomalies strongly suggestive of claim misclassification but not definitively showing misclassification.
  - Deliberate claim misrepresentation would be a sub-set.
- Risk flags were drawn from data in:
  - the worker's Form 6,
  - health care professional reports (physician, physiotherapist, chiropractor)
  - evidence that the worker pursued/received lost earnings benefits from another benefit plan.

# Key Findings from Analysis of NLT files (2)



- The lower boundary estimate of risk of misclassification is 4.1%
  - This is based on cases where Form 6 indicated lost time beyond the day of the incident or Form 6 provided a date for return to work more than two days after the incident.
- The upper boundary estimate of risk of misclassification is 12.1%, based on the presence of any risk flag.
- The WorkSafeBC claim review team had reservations about 5.2% of the files.

# Key Findings from Analysis of Lost-Time Claims that were Rejected, Suspended or Abandoned (1)



There is no suggestion that WorkSafeBC acted improperly in not proceeding with the claims under review.

- Suspended claims included cases lacking necessary information or the worker could not be contacted.
- Some claims were voluntarily withdrawn.
- Rejected claims included cases where the claim was not compensable.

# Key Findings from Analysis of Lost-Time Claims that were Rejected, Suspended or Abandoned (2)



- 11.8% to 18.6% of these files could be considered problematic.
  - 112 files (18.6%) where Form 6 (Workers Report) states the worker missed work beyond the day of the incident and sought medical attention;
  - 71 files (11.8%) with the above characteristics and the file indicates that the incident was witnessed by another worker (11.8%); and
  - 93 files (15.5%) where both the Form 6 and Form 7 (Employer's Report) concur that that the worker lost working time beyond the day of the incident.
- The WorkSafeBC Review Team found that 21.8% of rejected, suspended or abandoned claims likely pertained to compensable lost-time injuries.

# Key Findings from Analysis of Lost-Time Claims that were Rejected, Suspended or Abandoned (3)



- In a subset of the problematic files, there are indications of possible employer pressure. A risk of claim suppression was found for 2.3% to 8.3% of the full sample:
  - 14 files (2.3% of the 601) with an employer objection notwithstanding a physician's recommendation that the worker take seven or more days off work;
  - 50 files (8.3%) where Form 6 shows missed work beyond the day of incident and the worker sought medical attention but there is no Form 7.

# Comparisons with other studies



# Comparisons with other studies (1)

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Four Canadian studies have explored similar issues:

- Manitoba Workers Compensation Board: a study by Prism Economics and Analysis in 2013 using a similar file analysis procedure and a similar worker survey design.
- Ontario Workplace Safety and Insurance Board: a study by Prism Economics and Analysis in 2013 using a similar file analysis procedure.
- Shannon & Lowe (2002): national survey which included a question on claiming workers compensation benefits.
- Nadalin & Smith (2020): survey in B.C., Alberta and Ontario which included a question on claiming workers compensation benefits.

# Comparisons with other studies (2)

<b>Under-Claiming Rate for Lost Working Time Benefits</b>	
<b>WorkSafeBC study</b>	53.7% (2 or more days of lost working time)
<b>Manitoba study</b>	40.2% (2 or more days of lost working time)
<b>Shannon &amp; Lowe</b>	40.0% (all presumptively eligible claims)
<b>Nadalin &amp; Smith</b>	64.5% (all presumptively eligible claims)
<b>Risk that a Time Loss Injury was Reported as a No Time Loss Injury</b>	
<b>WorkSafeBC study</b>	4.1% to 12.1%
<b>Manitoba study</b>	14.3% to 35.1%
<b>Ontario study</b>	5.0% to 10.0%
<b>Estimated Incidence of Claim Suppression Conduct</b>	
<b>WorkSafeBC study</b>	3.7% to 13.0%
<b>Manitoba study</b>	11.5%

# Questions

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# Thank you

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# Sample questions from the worker survey



Sector of employment; type of employment (FT, PT, temporary)

Claim filed with WorkSafeBC? If not, why not? (Options incl. not aware of eligibility/how to apply, pressure from employer or colleagues.)

Nature of injury or illness

Wage continuation while off work?

Hospital visit? Sought care of health professionals?

Did employer threaten repercussions if report?

Lost-time? Duration?

Did employer offer rewards for accident-free workplace?

# Sample questions from the employer survey



Use of a consultant to file WorkSafeBC claims?

Does company provide incentive if workplace is accident free for a period of time?

Does company allow workers to use health benefits plan and/or sick leave or disability plan instead of accessing WorkSafeBC benefits?

Perceptions regarding practices in your industry regarding:

- frequency (rarely or never, sometimes, often, all the time or almost all the time) of reporting of work-related injuries (NLT and LT) to WorkSafeBC
- frequency of mis-representation of lost-time claims as no-lost-time claims