ATTACHMENT A

FACTUAL OVERVIEW OF THE WCB’S MAJOR INITIATIVES
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A compelling characteristic of the WCB is its use of major, high profile initiatives to achieve its strategic objectives. (A major initiative is defined here as any project, or set of projects, whose costs are expected to be more than $1 million, and/or must be approved by the Panel of Administrators.) In order to examine the WCB’s evaluation activities associated with such initiatives, we used WCB data to compile an inventory of the major initiatives which have been approved by the WCB since January 1, 1995.

Those major initiatives fall into two distinct categories in terms of how the WCB manages them: those initiatives which have a significant information technology (IT) component and those which do not.

THE WCB’S IT INITIATIVES

In December, 1997, the WCB prepared a summary of its major IT projects and programs, showing expected costs and expected benefits. These major initiatives represent $244.55 million in expected incremental costs (until the year 2002) and are expected to generate reductions in compensation and administration costs totalling $484.73 million by the year 2002. The following pages provide additional details on those major initiatives.

THE WCB’S NON-IT INITIATIVES

In April, 1998, the WCB reported to the Commission that since January 1, 1995, it had approved nine major initiatives that did not have an IT component. Here is the WCB’s description of those projects:

- **Threats of Violence and Security Upgrade** - The purpose of this initiative is to increase the safety of WCB employees through training, awareness, and changes in the Physical Plant, such as fencing, landscaping, installation of a door in the courier room and a security system.

- **Information Services Division Renovations** - Renovations were done on the fourth floor of the Richmond Administration building in order to support the operational effectiveness of the Information Services Division (ISD), to meet mandatory WCB safety and ergonomic requirements, and to preserve gains in ISD staff confidence in management to deliver on its promises. Also, there were significant non-tangible benefits realized in reorganizing the ISD groups to work effectively in cross-functional teams.
• **Clinical Services Move** - The clinical departments of Compensation and Rehabilitation Services were spread through three areas of the Richmond Complex. This move brought the various clinical departments together into the same area in order to allow for more synergy on joint projects and develop better working relationships among the different areas.

• **Relocation of Head Injury Unit** - The primary benefits of the project were to create sufficient space next to the Back Evaluation and Education programs for the new pain education program. This move allowed for the consolidation of these programs that will result in more efficient service being provided.

• **Call Centres** - As part of the Service Delivery Strategy and the implementation of E-File, a decision was made to establish a centralized call centre for the Lower Mainland on the third floor of the Administration building in Richmond and in the three other hub locations throughout the province, namely Kelowna, Victoria and Prince George.

• **Abbotsford SDL** - A strategic decision was made to relocate Service Delivery Locations (SDL’s) closer to the geographic location of employers and injured workers. This would provide improved services to injured workers and employers in that claims officers would be available more often to meet with clients. Abbotsford was the first SDL that moved out of the main Richmond Admin building under this strategy.

• **North Van Work Location** - A corporate decision was made to establish work centre locations for the Vancouver North, Burnaby, Coquitlam and Surrey SDL’s in the geographic areas that they service. The new work locations provide an opportunity to improve client service. Claims Case Managers will be located closer to the clients they serve, facilitating site visits to investigate accidents and discuss return to work alternatives with both the employer and worker.

• **Coquitlam SDL Relocation** - In order to establish a stand- alone site for a Lower Mainland SDL to pilot the E-File technology, the Coquitlam SDL was relocated to the Riverfront facility. This resulted in a move of the Richmond SDL into the old Coquitlam space and freed up space for other departments to use.

• **2nd Floor Renovations** - Renovations on the 2nd floor of the Richmond Administration Building were done in 1997 in order to align the physical work environment. This will facilitate the new service delivery strategies, e.g. Case Management, being developed in the Compensation Services Division.
MAJOR IT INITIATIVES

NAME: AIRS (Accident and Injury Reporting System)

PURPOSE AND RATIONALE:

The AIRS program was created to enable the WCB to acquire data related to workplace accidents and injuries. This data is important for key WCB business functions such as targeting high risk firms, understanding trends and causality, monitoring firm performance and automating claim processing.

BUDGET:

$7.30 million for approved phases, a further $3.10 million for future phases

SPONSOR:

Prevention Division


EXPECTED IMPACT/BENEFIT:

- Reduce claims as a result of improved ability to use the data to target and monitor high risk firms: $34.24 million in reduced compensation costs by the year 2002.

- Improve the productivity of WCB staff by acquiring a complete set of data electronically, thus avoiding the callback, clarification and data entry work that would otherwise have to be carried out by WCB staff: $14.19 million in administrative cost savings by the year 2002.
MAJOR IT INITIATIVES

NAME: Case Management

PURPOSE AND RATIONALE:

Case Management, as outlined in the Strategic Plan, was intended to offer injured workers, employers, medical professionals and other external (and internal) stakeholders a single point of contact for a given claim, with an emphasis on coordinating and expediting all transactions and ultimately, making decisions that would determine the outcome of that claim.

BUDGET:

$4.07 million for approved phases, a further $25.56 million for future phases

SPONSOR:

Compensation Services Division


EXPECTED IMPACT/BENEFIT:

• $70.19 million in reduced compensation costs by the year 2002

Note: A separate Case Study provides further information on the evaluation activities associated with this initiative.
MAJOR IT INITIATIVES

NAME: Decision Support Strategy
(Including Data Warehouse)

PURPOSE AND RATIONALE:

The purpose of this set of projects is to make simplified, integrated information available for analysis. Information provided includes key components of the employer score card (to Diamond, Employer Services Strategy and Compensation Services), and ad hoc analysis of duration measures (as an approximation of RTW), caseload financial impact (analysis of distribution of duration), high-risk worker causality, and actuarial analysis of pricing and funding.

Future phases of DSS will take advantage of improvements in source data to extend the Data Warehouse to provide information for RTW analysis, caseload management, causality analysis (identification of risk factors leading to injury trends and compensation costs), enhancement of the employer score card, etc.

BUDGET:

$5.72 million for approved phases, a further $8.33 million for future phases

SPONSOR:

Enterprise (i.e. the overall WCB, not a specific Division)


EXPECTED IMPACT/BENEFIT:

• Enables the WCB to make informed decisions and to monitor performance (These benefits are not currently quantified in the same manner as the other IT Initiatives. However, in the original Business Case submitted to the POA in October 1996, tangible benefits of $5.76 million per year were expected to start in 1998; this represented ½% of the total claim costs in a year.)

Note: A separate Case Study provides further information on the evaluation activities associated with this initiative.
MAJOR IT INITIATIVES

NAME: Diamond System Monitoring

PURPOSE AND RATIONALE:

The Diamond Program is a new strategy for employers, workers, and the WCB to strive for cooperation toward workplaces free of injury and disease. The Program requires extensive monitoring information to encourage and recognize workplaces and firms with successful health and safety programs and provide support for those trying to meet health and safety requirements.

BUDGET:

No funds have yet been approved; $1.77 million is proposed in total for 1998 and 1999.

SPONSOR:

Prevention Division


EXPECTED IMPACT/BENEFIT:

$23.07 in reduced compensation costs by the year 2002
MAJOR IT INITIATIVES

NAME: Employer Services Strategy

PURPOSE AND RATIONALE:

This set of projects is aimed at improving services to employers. These projects will restructure the business operations of the Assessments, Collections and Audit Departments. They will also re-classify firms and establish new rates. The major components are the establishment of an Employer Service Centre, a new classification system, actuarial decision and modeling tools (for rate making, modeling experience rating, and modeling incentive rating), and a new corporate Accounts Receivable application.

BUDGET:

$38.05 million for approved phases

SPONSOR:

Finance

TIMING:

Start: 1996 Finish: 1999

EXPECTED IMPACT/BENEFIT:

- $72.50 million in reduced compensation costs by the year 2002
- $27.48 million in administrative cost savings by the year 2002

Note: A separate Case Study provides further information on the evaluation activities associated with this initiative.
MAJOR IT INITIATIVES

NAME: Health Care Services

PURPOSE AND RATIONALE:

This initiative consists of several projects whose purpose is to introduce more efficiencies into the payment process associated with the province’s Medical Services Plan. For example:

- The WCB will utilize MSP’s Teleplan system to receive, edit and apply adjudication rules and pay or refuse medical doctors’ fees.
- The Pharmaceutical Management System will better manage the adjudication and payment of pharmaceutical related expenditures
- The Injury Coding project, completed in 1997, captures claim injury decision codes that represent WCB’s view of what has been accepted and not accepted on a claim

BUDGET:

$9.44 million for approved phases, $4.46 million for future phases

SPONSOR:

Compensation Services Division


EXPECTED IMPACT/BENEFIT

- Increase the utilization of MSP billing by the medical community (for compensation-related cases)
- Improve internal business processes
- Reduce late interest charges by approximately $400,000 per year; save approximately $400,000 per year in prescription drug costs
- $5.28 million in reduced compensation costs by the year 2002
- $21.42 in administrative cost savings by the year 2002
MAJOR IT INITIATIVES

NAME: IT Infrastructure

PURPOSE AND RATIONALE:

During 1996 and 1997, the WCB made a number of changes to its technology infrastructure which were required to support the implementation of approved projects. This includes:

- MS SQL Server, NT Migration
- MF CPU
- DASD Upgrade
- UNIX-SP Frame
- Data Network-LAN WAN Phase 1
- LAN Dial Up
- Voice Network Phase 1
- Call Centre Phase 1
- Integrated FAX (Comp)

Future investments include:

- Application Middleware
- External Communications/Electronic Commerce
- Infrastructure Renewal
- Internal Communications

BUDGET:

$44.63 million for approved and future phases

SPONSOR:

Enterprise (i.e. the overall WCB, not a specific Division)

TIMING:


EXPECTED IMPACT/BENEFIT:

- Enables the WCB to proceed with its other approved projects; the associated benefits were included in the description of such projects
MAJOR IT INITIATIVES

NAME: Mobile Office System 3

PURPOSE AND RATIONALE:

The objective of this project is to capture most officer related documents electronically and to make improvements to the uploading and transferring of documents to WCB, including the addition of detailed time and activity reporting.

BUDGET:

$1.88 million for approved and future phases

SPONSOR:

Prevention Division

TIMING:


EXPECTED IMPACT/BENEFIT:

• $3.05 million in administrative cost savings by the year 2002
MAJOR IT INITIATIVES

NAME: Rehabilitation Service
  Improvement Strategy

PURPOSE AND RATIONALE:

Several projects are included in this initiative. For example, the Psychology 3rd Party Provider project will manage the selection and referral to external Psychologists as well as track outcomes for every case. Another project will deliver an integrated system to schedule and track claimants in all programs in the Rehab Centre.

BUDGET:

$2.18 million for approved and future phases

SPONSOR:

Compensation Services Division


EXPECTED IMPACT/BENEFIT:

- Increase the effectiveness and utilization of the Rehab Centre
- $.41 million in reduced compensation costs by the year 2002
- $3.45 million in administrative cost savings by the year 2002
MAJOR IT INITIATIVES

NAME: Service Delivery Strategy
    (including E-File)

PURPOSE AND RATIONALE:

This set of projects is aimed at improving services to injured workers. For example:

- In 1998, a decision assist system will be installed for WCB staff to speed up the process for registering a claim and adjudicating Health Care Only claims.
- A new product, ARCON, will be rolled out in late 1998 to provide objective functional testing results and automatically calculate an impairment rating.
- The Disability Awards MIS will improve the reporting and production of management information related to Code R payments, queuing priorities, aged inventory of claim files and performance measurements.
- In 1999, the focus will be to build a decision assist tool for WCB staff to process simple claims quickly and eventually handle the majority of simple claims automatically.
- The E-File project, underway since 1995, will enable electronic access to various files.

BUDGET:

$68.96 million for approved phases, $9.97 million for future phases

SPONSOR:

Compensation Services Division

TIMING:


EXPECTED IMPACT/BENEFIT:

- Increase service levels (eg: speed up registration and adjudication)
- $192.34 million in reduced compensation costs by the year 2002
- $15.05 million in administration cost savings by the year 2002

Note: A separate Case Study provides further information on the evaluation activities associated with the E-File component of this initiative.
MAJOR IT INITIATIVES

NAME: Year 2000

PURPOSE AND RATIONALE:

This project is intended to ready the WCB’s systems for the need for 4-digit dates when
the year changes from 1999 to 2000.

BUDGET:

$3.30 million

SPONSOR:

Mandatory

TIMING:


EXPECTED IMPACT/BENEFIT:

Not quantified