



Comparison of experience rating programs in the Ontario and British Columbia long-term care sectors, 1998-2007

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through financial incentives

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Introduction

Focus in a single sector to ensure comparability of job characteristics, occupational exposures and workplace organization. Per diem funding and care-giver hours per resident are similar in the two provinces.

There are more than 60,000 full-time equivalent workers in the long-term care sector in Ontario, more than 14,000 FTEs in British Columbia.

Workers in this sector are exposed to high biomechanical demands arising from care-giving tasks.

Funding from WorkSafeBC, 2008-2010.



Summary of Methods

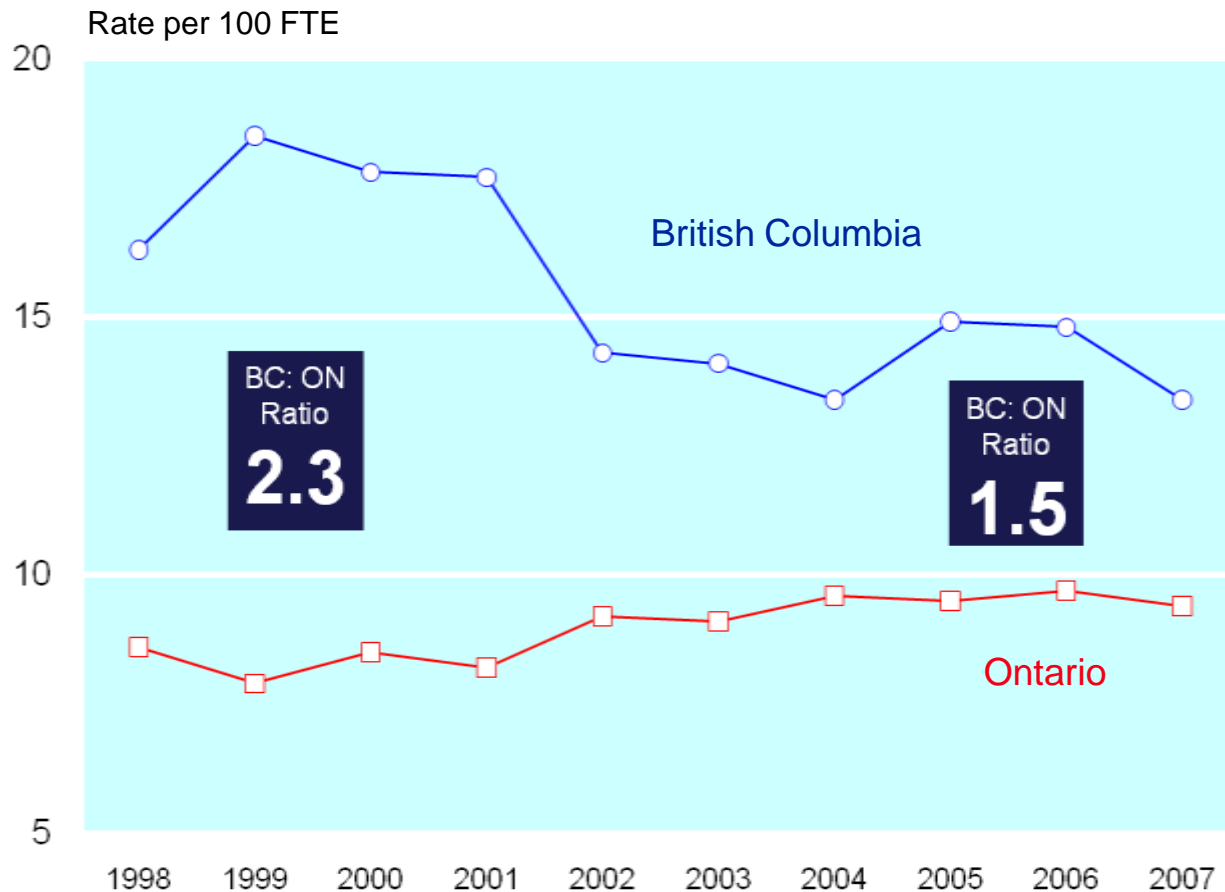
Analysis of lost-time and no-lost time claims for long-term care facilities in Ontario (N=500) and British Columbia (N=150) for the ten year period 1998-2007. Health care and wage replacement benefits restricted to 365 days following injury.

Both jurisdictions apply similar coding standards and have generally similar benefit provisions

Comprehensive inventory of key changes to legislation, policy and programs in each province over the ten year observation period.

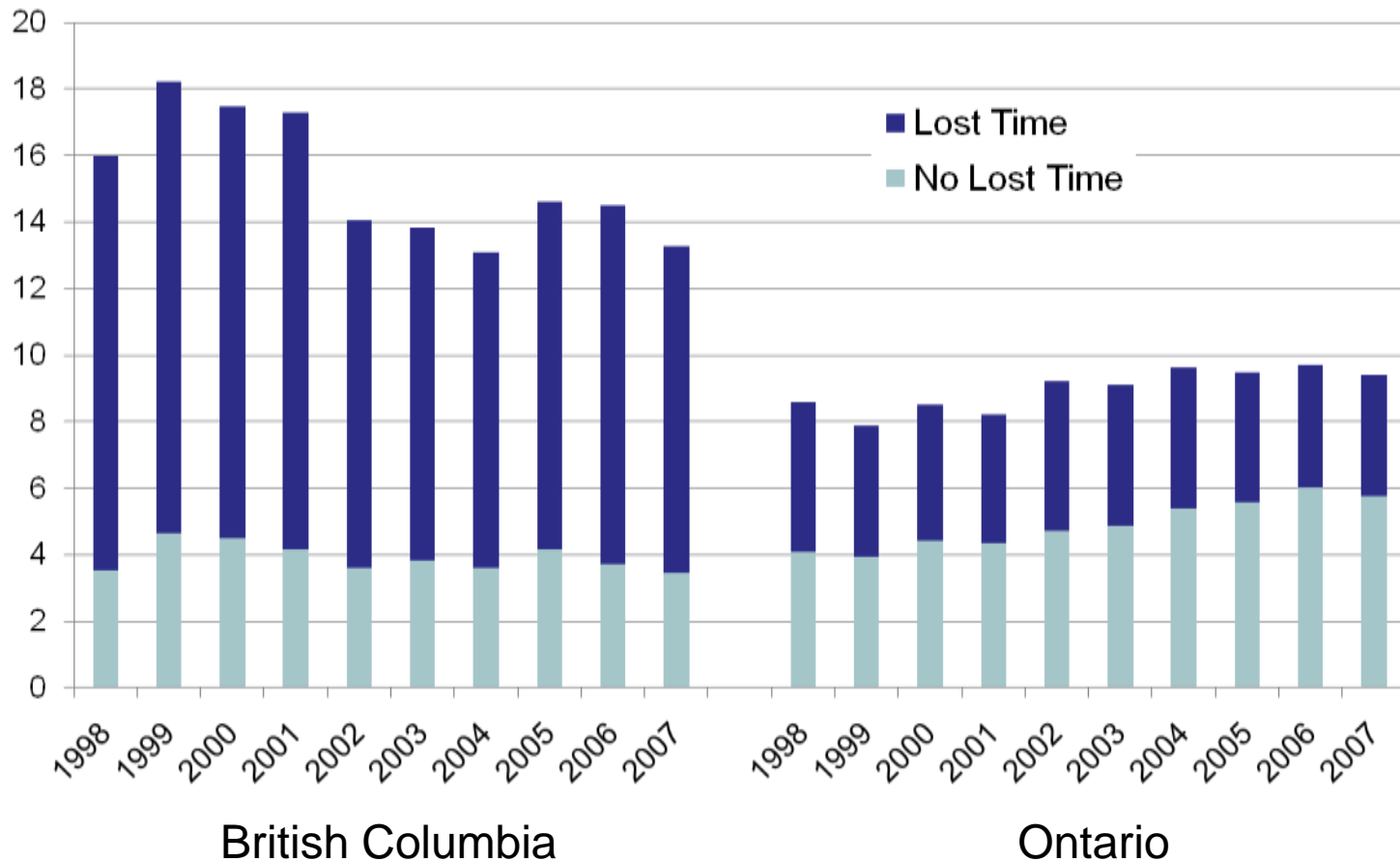


Compensation claim rate, work-related injuries Long-term care, Ontario and British Columbia, 1998-2007



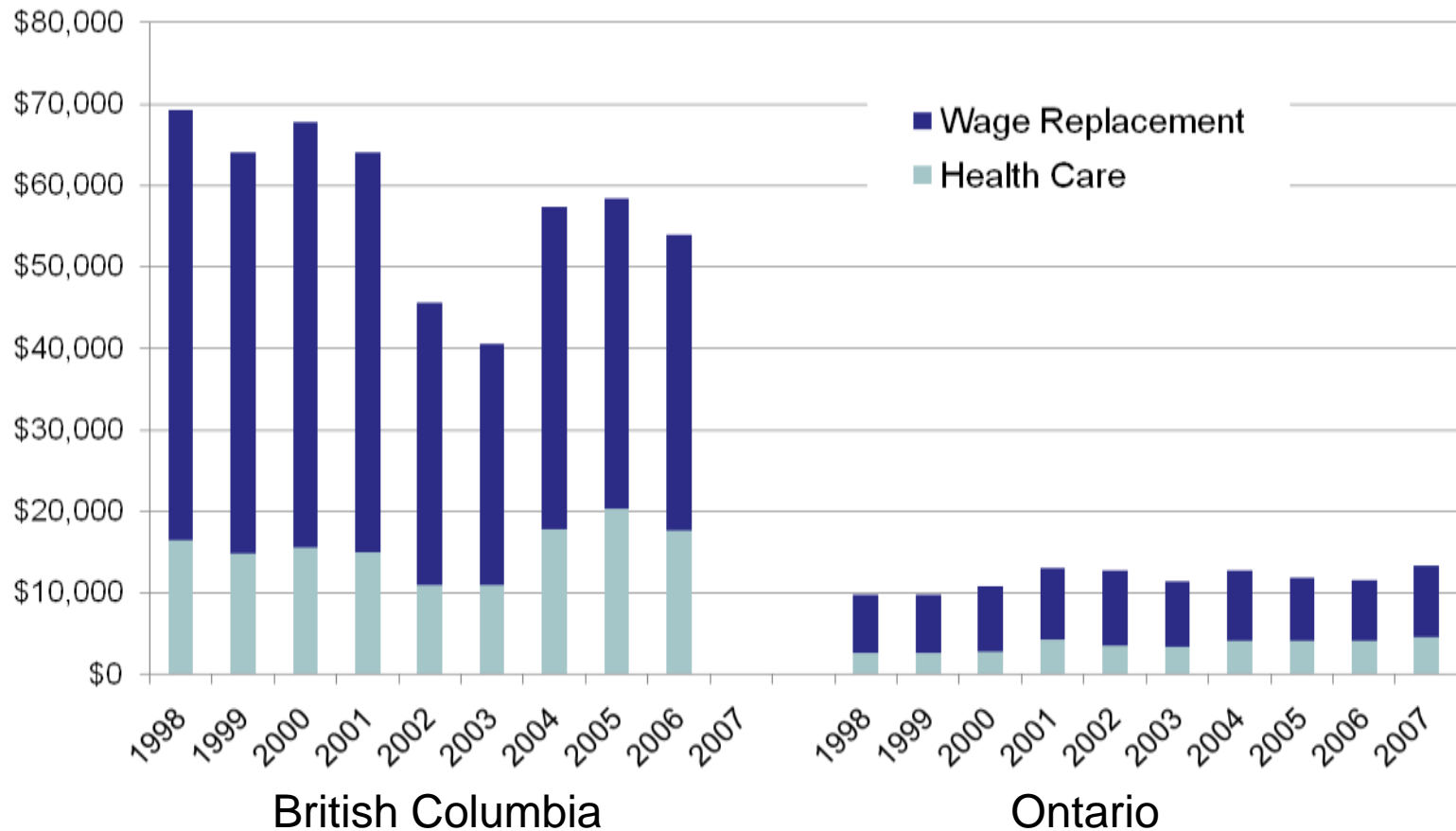


Trends in compensation claim rates, 1998-2007 British Columbia, Ontario





Benefit expenditure per 100 full-time equivalents, 1998-2007 British Columbia, Ontario





Summary of trends in duration of disability and benefit expenditures

The duration of disability episodes in British Columbia was approximately 50% longer than in Ontario.

Average benefit expenditures per lost-time claim were approximately two times higher in British Columbia than in Ontario. No clear temporal trend in British Columbia. Rising benefit expenditures per claim over time in Ontario.

The combination of a higher incidence rate and longer disability episode duration in British Columbia resulted in benefit expenditures per 100 full-time equivalents approximately four times greater than in Ontario.



ER Program: Ontario

Retrospective

Maximum surcharge 3 times maximum rebate (rating factor x expected costs)

Three-year weighted average of performance: Each year valued equally

Maximum limit for individual claims: 5 times maximum insurable earnings (eg: in 2007 MIE was \$71,800: claim limit was \$359,000)

Rating factor: Yes



ER Program: British Columbia

Prospective

Maximum discount and surcharge of 50% and 100%

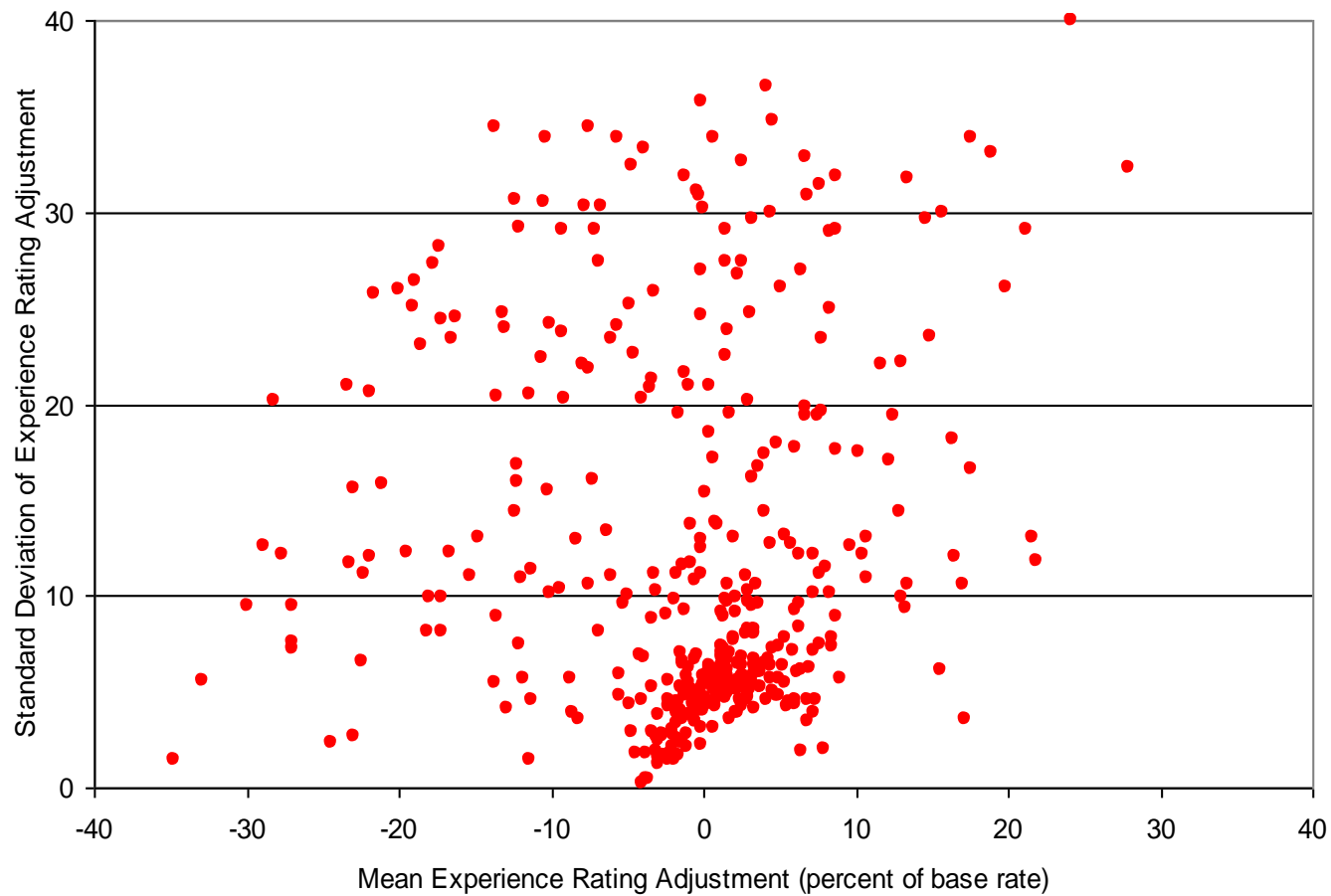
Three-year weighted average of performance: first year is weighted at 16.7%, the second year at 33.3%, and the third and most recent year at 50%

Graduated cost limit for individual claims: employers are responsible for diminishing percentages of a claim's costs as they increase beyond predefined ranges: up to \$70,000 the responsibility is 100%, between \$70,000 and \$120,000 it is 50%; and for amounts greater than \$120,000 it is 10%

Rating Factor: Yes

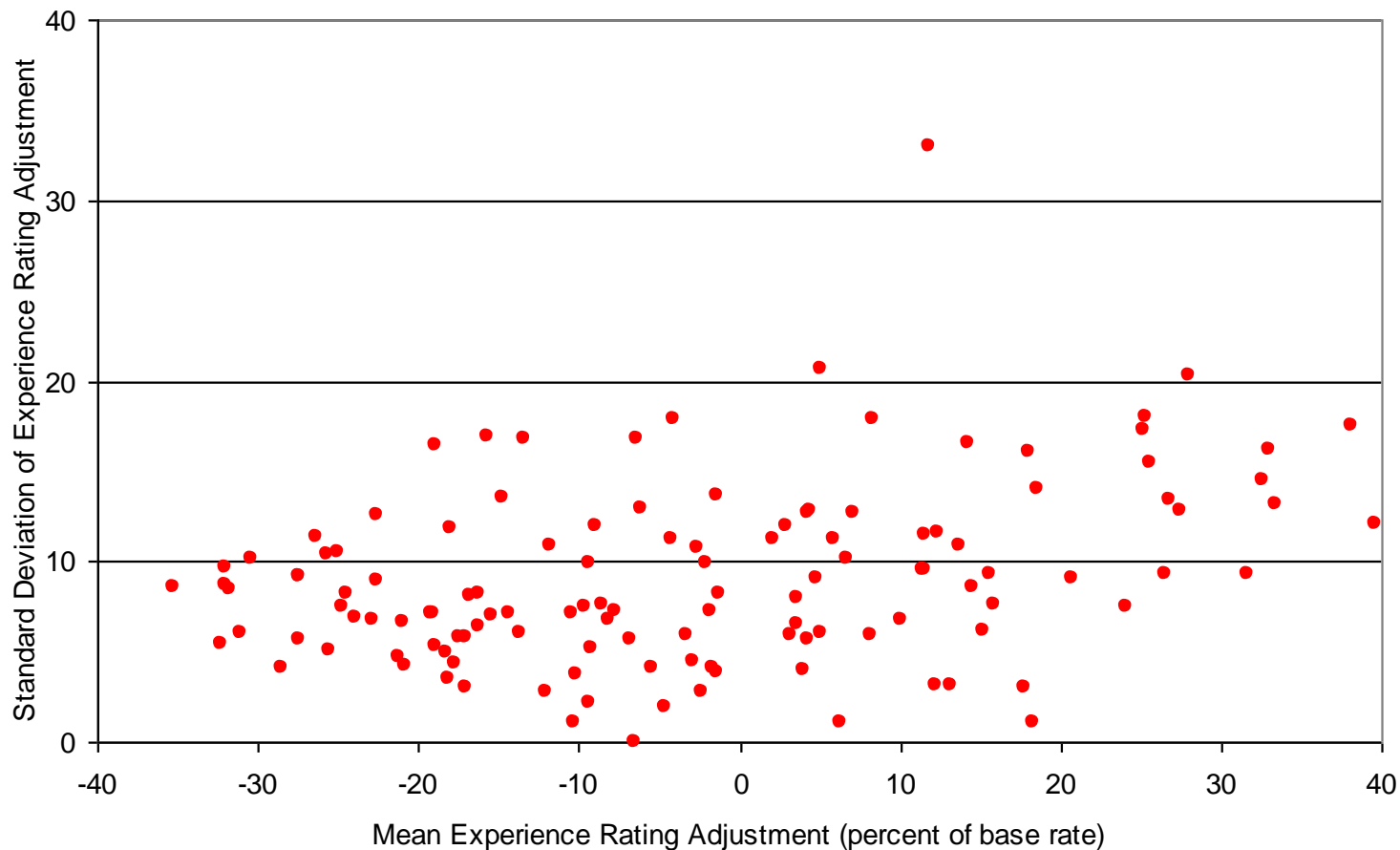


Average experience rating adjustment over a minimum of six years
by the standard deviation of the experience rating adjustment
Long-term care facilities in **Ontario**, 1998-2007





Average experience rating adjustment over a minimum of six years
by the standard deviation of the experience rating adjustment
Long-term care facilities in **British Columbia**, 1998-2007





Long-term care facilities, **Ontario**, 1999-2006

Correlation of annual experience rating adjustment (column) and annual total benefit expenditures per 100 FTE (row),

	1999	2000	2001	2002	2003	2004	2005	2006
1999	0.600 <.001	0.029 NS	0.013 NS	0.010 NS	0.048 NS	0.065 NS	0.050 NS	0.075 NS
2000		0.525 <.001	0.033 NS	0.016 NS	0.234 <.001	0.106 <0.05	-0.018 NS	0.101 NS
2001			0.528 <.001	0.076 NS	0.048 NS	0.144 <0.01	0.098 NS	0.107 <0.05
2002				0.493 <.001	0.081 NS	0.143 <0.01	0.165 <0.001	0.117 <0.05
2003					0.561 <.001	0.157 <.001	0.085 NS	0.082 NS
2004						0.559 <.001	0.115 <.01	0.129 <.01
2005							0.551 <.001	0.161 <.001
2006								0.589 <.001



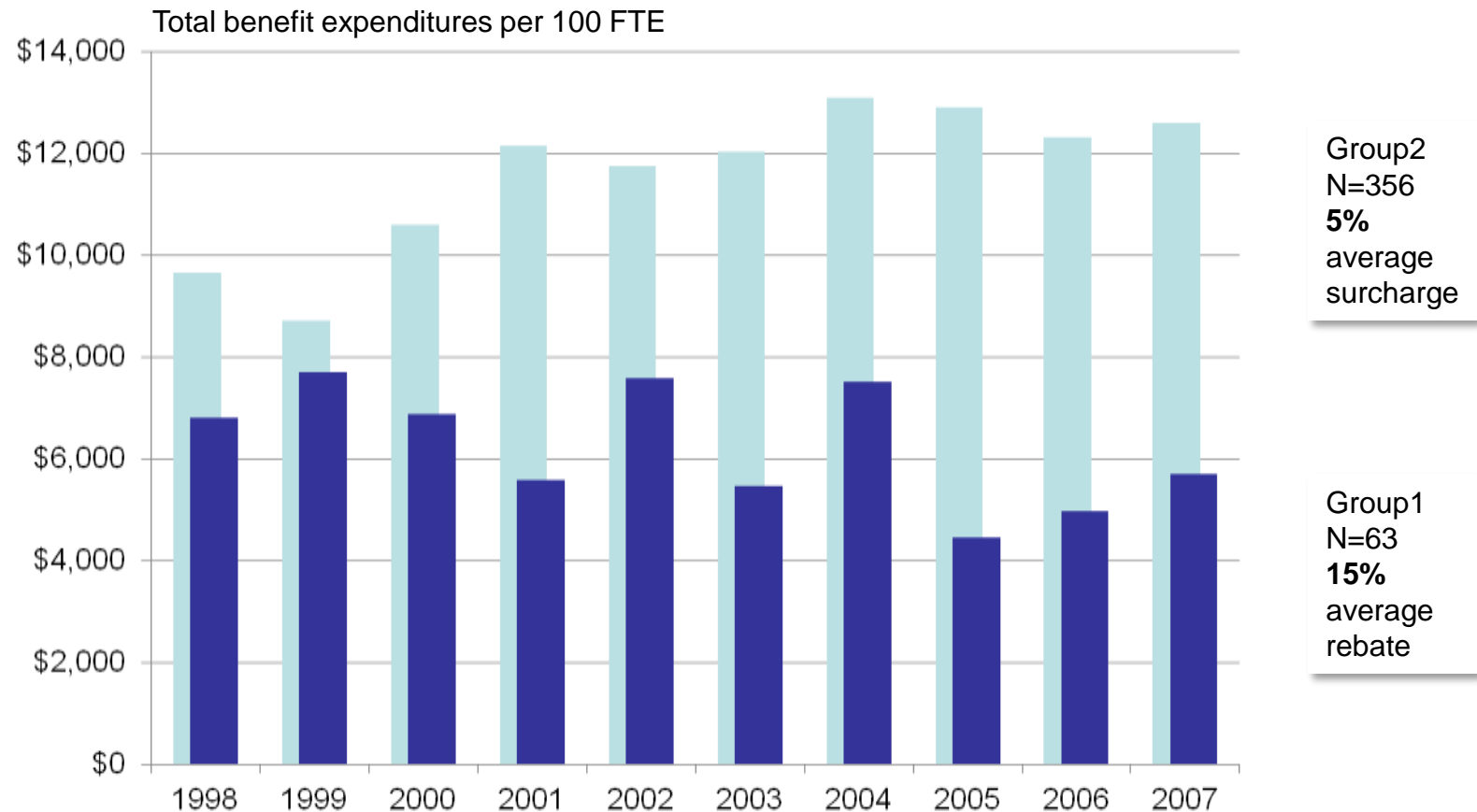
Long-term care facilities, **British Columbia**, 1999-2006

Correlation of annual experience rating adjustment (column) and annual total benefit expenditures per 100 FTE (row),

	1999	2000	2001	2002	2003	2004	2005	2006
1999		0.496	0.695	0.742	0.718	0.594	0.506	0.466
		<.001	<.001	<.001	<.001	<.001	<.001	<.001
2000		0.326	0.342	0.595	0.743	0.655	0.473	0.424
		<.001	<.010	<.001	<.001	<.001	<.001	<.001
2001			0.396	0.475	0.662	0.693	0.639	0.526
			<.001	<.001	<.001	<.001	<.001	<.001
2002				0.207	0.171	0.476	0.558	0.486
				<.05	NS	<.001	<.001	<.001
2003					0.162	0.176	0.533	0.630
					NS	NS	<.001	<.001
2004						0.224	0.368	0.576
						<.05	<.01	<.001
2005							0.375	0.375
							<.01	<.001
2006								0.436
								<.001

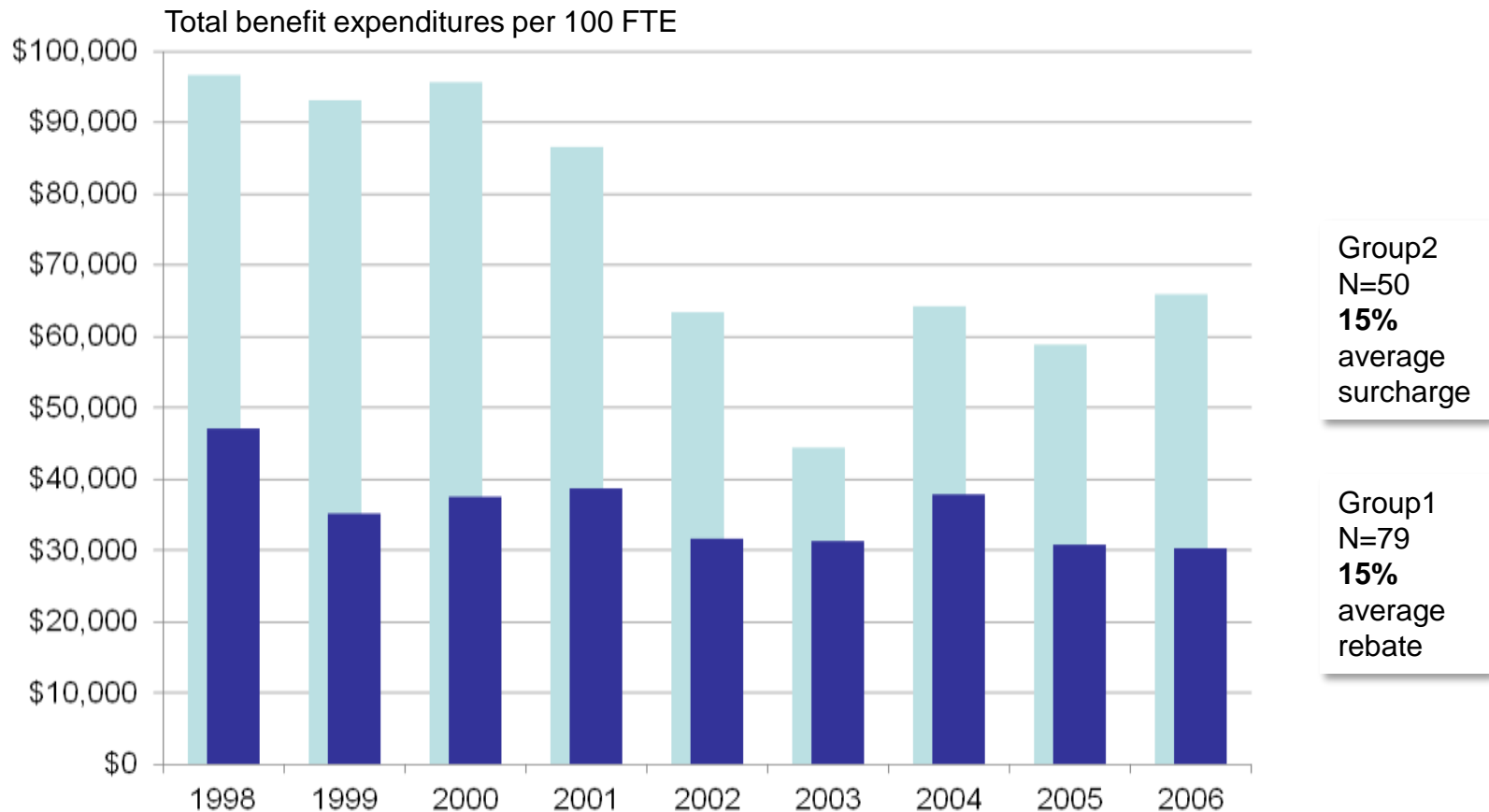


Trajectory analysis, long-term care facilities, Ontario Two groups formed from similar experience rating outcomes



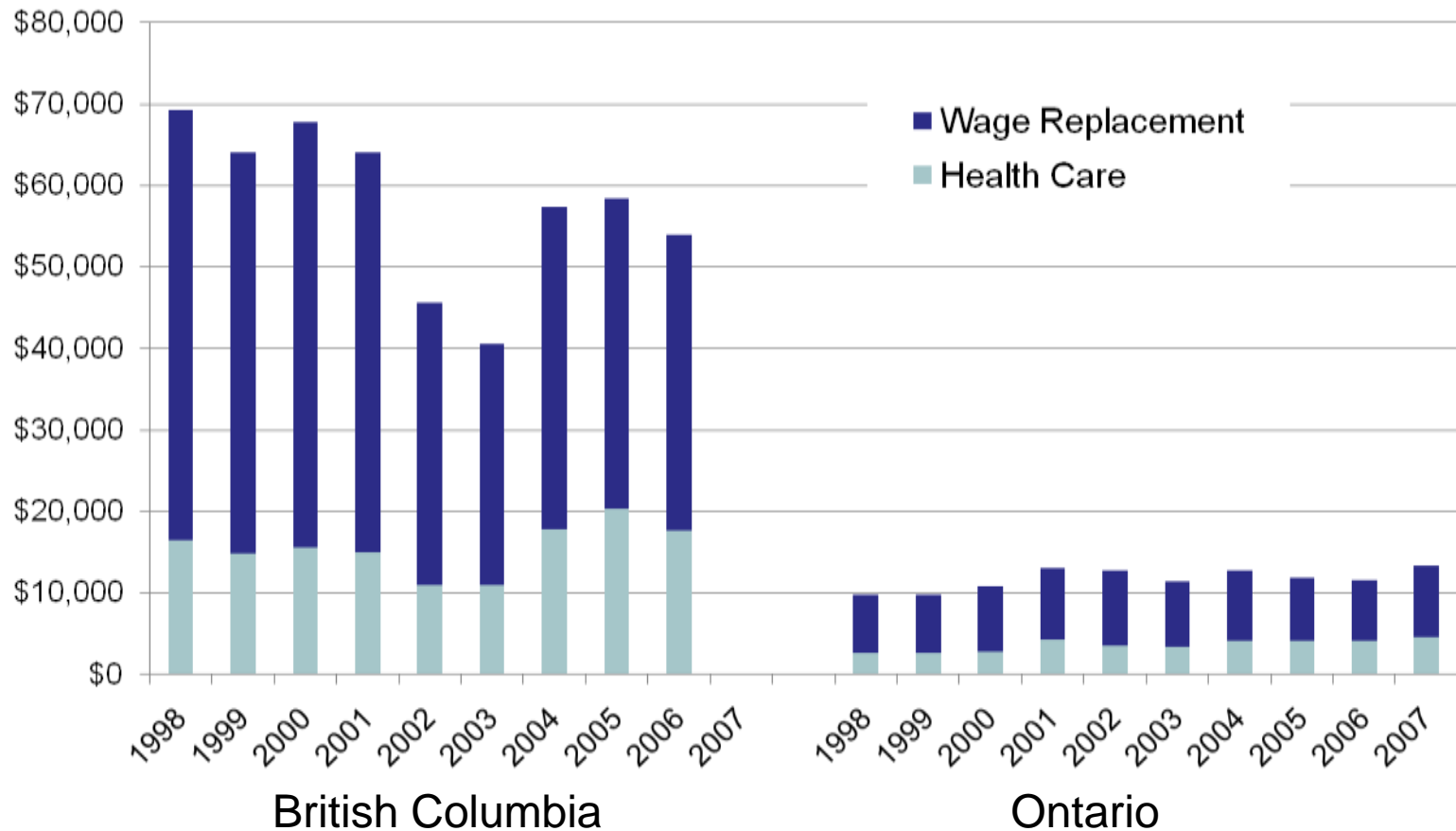


Trajectory analysis, long-term care facilities, British Columbia Two groups formed from similar experience rating outcomes





Benefit expenditure per 100 full-time equivalents, 1998-2007 British Columbia, Ontario





Conclusion

The design of the experience rating program in British Columbia contains a number of elements that result in a generally stable assessment outcome for individual facilities over time. In contrast, program design in Ontario results in an assessment outcome that is variable and less predictable over time.

In this sector, experience rating appeared to accomplish the objective of equity, where poor performing employers should pay a greater share of rate group premiums and better performing employers should pay a smaller share of rate group premiums.

However, in neither jurisdiction did we detect a consistent influence of experience rating on the rate of change in benefit expenditure.



Thank You!

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