

THE WORKERS' COMPENSATION BOARD**MEETING OF THE BOARD OF DIRECTORS****MINUTES**

DATE: February 1, 2022

PLACE: Zoom Video Conference

TIME: 8:30 a.m. to 11:15 a.m.

BOARD MEMBERS

Erna Ference, Chair
Mike Boyle, Member
Brian Frank, Member
Brian McConkey, Member
Shawna Miller, Member
Mary Phillips-Rickey, Member

EXECUTIVE

Trevor Alexander, President & Chief Executive Officer ♦♦
Tarick Ahmad, Chief Technology Officer ♦*
Ron Helmhold, Chief Financial Officer ♦*
Wendy King, Senior Vice President, Operations & Innovation ♦*
Marcela Matthew, Vice President, Millard Health & Special Care Services ♦*
William P. Ostapek, Secretary and General Counsel ♦*
Roxy Shulha-McKay, Vice President, Employee & Corporate Services *

ALSO PRESENT

Leslie Henkel, Board of Directors' Secretariat

♦ excused for items 11.3 and 11.4

* excused for item 14

** excused for item 14 (part 2)

Board of Directors

The Chair called the meeting to order at 8:30 a.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Minutes of the Meeting of November 30, 2021**

MOTION

2021/01/01 It was moved that,

The Board of Directors approve the minutes of the meeting of November 30, 2021.

CARRIED

4. **Business Arising from the Minutes of November 30, 2021**

There was no business arising from the minutes of the November 30, 2021 meeting.

5. **2022 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

6. **Report of the Chair**

The Chair reported on:

- a recent meeting with the Minister of Labour and Immigration, and
- board recruitment activities.

7.1 **Report of the President**

The President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- stakeholder engagement and legislative relations,
- legislation and panel implementation, and
- risk profile and emerging issues.

Board of Directors

7.2 WCB Technology Review

The Chief Technology Officer provided an update on WCB technology.

COMMITTEE REPORTS**8. Policy Committee**

The committee chair provided a report on the committee's recent meeting.

8.1 Review Date for Annual Benefit Adjustments (non-substantive)

The topic summary was received for information.

8.2 Policy 04-02, Part II, Application 4: Continuation of Employment Health Benefits – Accidents from September 1, 2018 to April 1, 2022 inclusive

Bill 47 included the repeal of section 88.2 of the *Workers' Compensation Act* which required employment health benefits to continue to be provided to injured workers in specific circumstances. As previously communicated to the Board of Directors in March 2020, section 88.2 required employment health benefits to continue for one year after the date of accident. This means that the obligation to continue health benefits for eligible workers will, in all cases, end on or before April 1, 2022.

As there will no longer be any obligation under this repealed provision, Policy 04-02, Part II, Application 4 will no longer be required and can be rescinded. The change will be noted in the Policy Manual's Table of Contents and archived versions of the policy application will still be available through the Document History, published on WCB-Alberta's website.

MOTION

2021/01/02 It was moved that,

The Board of Directors approve rescinding Policy 04-02, Part II, Application 4. Effective Date: April 2, 2022

CARRIED

9. Audit Committee

The committee had nothing to report.

10. Finance Committee

The committee chair provided a report on the committee's recent meeting, noting that the committee approved an online consultation for the draft funding policy.

Board of Directors

10.1 Monthly Financial Reports

The monthly financial reports were received for information.

11. Human Resource and Governance Committee

The committee chair provided a report on the committee's recent meeting.

11.1 2021 Strategy Map and Objectives – Results

Despite the challenges that emerged in 2021, WCB-Alberta's stakeholders were well served. The organization helped employers manage in difficult economic times, supported workers to recover and return to work and moved the innovation and technology agenda forward, all while coping with the influx of COVID and other complex claims.

The year was noteworthy both for the number and impact of the projects undertaken. Major legislative and policy changes were implemented that reduced workers' compensation system costs by \$350 million. As WCB continued to absorb an influx of claims due to COVID, it provided \$27 million in cost relief to employers who were pushed to the limit by economic pressures (on top of \$25 million for claims in 2020). WCB grew the province's first long-COVID treatment program at Millard Health. And WCB completed the full transition of \$11.2 billion in investment portfolio assets to AIMCo.

Following are some highlights from the 2021 Strategy Map:

- 31% of workers were kept job attached through modified work as soon as they became fit for work (on a target of 30%).
- 90% of workers returned to work safely within the first four months of their short-term disability (on an 84% target).
- 71% of workers with complex claims successfully recovered and returned to work within six months of reopening their claim (on a 60% target).
- 873 workers were referred for psychological treatment within 60 days—a 103% improvement over the baseline (on a 25% target).
- 229 workers found opportunities with new employers (on a target of 180).
- 82 employers (on a target of 20)—three-quarters of which were small employers—took time to complete virtual disability management training.
- mobile applications were enhanced.
- Employee Help Desk increased their response times by 71.7% compared to 2020 (on a target of a 25% improvement).

Two targets on the 2021 strategy map were missed, both of which were impacted by the conditions of the economy and the pandemic:

- Worker (78.3%) and employer (80.1%) satisfaction with engagement fell slightly below the 2020 baseline (78.9% and 84.8%, respectively).

Board of Directors

- WCB aimed to deliver education to more than 1,000 employers on creating a psychologically healthy workplace and achieved 90% of its goal.

MOTION

2021/01/03 It was moved that,

The Board of Directors approve the 2021 Strategy Map results as confirmation of the organization's achievement of annual corporate objectives.

CARRIED

11.2 **2022 Strategy Map and Objectives – Targets**

In November 2021, the Board of Directors received a comprehensive presentation on the objectives for 2022 and approved WCB's 2022 Strategy Map and Objectives in principle. After finalizing year-end results and project evaluations, the individual targets have been updated and WCB is seeking approval of the final objectives for the year.

There has been one significant change since the approval of the strategy map, and that is the arrival of the Omicron variant. This new COVID variant has thrown into question the timing of returning to a sense of normal and the strain it creates for internal resources due to rising claim volume. Despite the current wave, WCB remains confident in the goals set, but is prepared to revisit the scope of projects if core business service delivery is put at risk.

Because the CEO is ultimately responsible for corporate objectives, the CEO and strategy map objectives are synonymous. Therefore, approval of the 2022 Strategy Map and Objectives (with targets) also serves as approval of the CEO's 2022 objectives, as required in the Human Resource and Governance Committee Terms of Reference.

MOTION

2021/01/04 It was moved that,

The Board of Directors approve the targets in the 2022 Strategy Map and Objectives.

CARRIED

The Chair excused senior management, with the exception of the Vice President, Employee and Corporate Services, from the meeting for items 11.3 and 11.4.

11.3 **2021 Annual Board Evaluation Results**

The 2021 annual board evaluation results were received for information.

11.4 **2021 President and CEO Evaluation**

The 2021 President and CEO evaluation process was received as information.

Board of Directors

12. **New Business**

There was no new business.

13. **Meeting Evaluation**

The members were asked to complete the meeting effectiveness self-assessment form.

14. **In Camera**

The Board of Directors held an *in camera* session in two parts. During the first part, all of senior management were excused, with the exception of the President. During the second part, the President was also excused. The Board Secretariat remained for the entire *in camera* session.

There being no further business, the meeting ended at 11:15 a.m.

THE WORKERS' COMPENSATION BOARD

MEETING OF THE BOARD OF DIRECTORS

MINUTES

DATE: April 26, 2022

PLACE: Hybrid Meeting
Participants attend either in person or virtually
12th Floor WCB Board Room, 9925 - 107 Street, Edmonton
Microsoft Teams

TIME: 8:30 a.m. to 12:30 p.m.

BOARD MEMBERS

Erna Ference, Chair
Mike Boyle, Member
Brian Frank, Member (attended virtually)
Brian McConkey, Member
Shawna Miller, Member
Mary Phillips-Rickey, Member (attended virtually)

EXECUTIVE

Trevor Alexander, President & Chief Executive Officer **
Tarick Ahmad, Chief Technology Officer (attended virtually) *
Ron Helmhold, Chief Financial Officer *
Wendy King, Senior Vice President, Operations & Innovation *
Marcela Matthew, Vice President, Millard Health & Special Care Services *
William P. Ostapek, Secretary and General Counsel *
Roxy Shulha-McKay, Vice President, Employee & Corporate Services *

ALSO PRESENT

Leslie Henkel, Board of Directors' Secretariat (attended virtually) *
Laurent Charron, Corporate Controller, Financial Management (items 7.1 to 12.1)
Donna Emsley, Senior Manager, Treasury & Investments (attended virtually) (items 9.1 & 9.2)
Nadia Mursky, Senior Manager, Financial Performance & Risk (attended virtually) (items 9.1 & 9.2)
Bill Xu, Chief Actuary, Actuarial Services (attended virtually) (item 12.1)

* excused for item 14

** excused for item 14 (part 2)

Board of Directors

The Chair called the meeting to order at 8:30 a.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Minutes of the Meeting of February 1, 2022**

MOTION

2022/02/ It was moved that,

The Board of Directors approve the minutes of the meeting of February 1, 2022.

CARRIED

4. **Business Arising from the Minutes of February 1, 2022**

There was no business arising from the minutes of the February 1, 2022 meeting.

5. **2022 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

6. **Report of the Chair**

The Chair reported on:

- March 24, 2022 meeting with the new Minister of Labour and Immigration,
- meeting with the Industry Task Force,
- meeting with the Labour Coalition attended by M. Boyle and B. Frank,
- a technology demonstration, Life of a Claim Tour and Millard Health Tour to follow the June Board of Directors' meeting,
- Annual General Meeting on June 9, 2022 at 10:30 AM, and
- release of the 2021 Annual Report.

7.1 **Report of the President**

The President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- stakeholder engagement and legislative relations, and
- risk profile and emerging issues.

Board of Directors

7.2 Strategy Map and Objectives Update

The first quarter 2022 Strategy Map and Objectives update was received for information.

COMMITTEE REPORTS

8. Policy Committee

The committee chair provided a report on the committee's recent meeting.

8.1 Policy 04-04, Permanent Disability, Part II, Addendum B

Strategic Management Council approved a non-substantive amendment (Board Resolution 94/02/09) to Policy 04-04, Part II, Addendum B, to provide updated information on the most recent edition of the *American Medical Association Guides for the Evaluation of Permanent Impairment* (the AMA Guides).

This follows the direction in Policy 04-04, Part I, 2.0: "When a new edition is published, WCB will designate an effective date, as close as practicable to the date of publication, for use of the new edition (see Addendum B)."

In addition, the title of the document has been updated to use the full name, American Medical Association, as opposed to the abbreviation, AMA.

8.2 Policy 05-02, Part II, Application 2: Cost relief for reactions to compulsory COVID-19 vaccinations

The widespread impact of COVID-19 has caused unprecedented challenges for employers. Alberta employers have asked WCB for cost relief to reduce the direct financial impact of COVID-19 claims. Throughout the pandemic, the WCB has provided COVID-19 support for employers, including a non-substantive policy change in October 2020. Because many employers implemented compulsory COVID-19 vaccination policies, WCB proposes an additional policy change to extend COVID-19 support to employers.

Current policy: Under Policy 03-01, Part II, Application 3, Question 4, when immunization is required for the prevention of a work-related disease or infection and as a result of a reaction to this compulsory immunization a worker experiences a loss of earnings, WCB will consider the reaction and its consequences to be compensable. This provision has been in place since the first consolidated Policy Manual was published in 1997.

Proposed policy: WCB proposes adding a provision for cost relief for reactions to compulsory COVID-19 vaccinations under Policy 05-02, Part II, Application 2. Under these policy revisions, cost relief will only be available when the following criteria are met:

- the worker has a compensable claim under Policy 03-01, Part II, Application 3 (compulsory immunization with loss of earnings), and
- the vaccine is for the prevention of COVID-19.

Board of Directors

In accordance with Board Resolution 94/02/09, Strategic Management Council approved a non-substantive change to add a corresponding cross-reference in Policy 03-01, Part II, Application 3, subject to approval of Policy 05-02, Part II, Application 2.

Following consultation, WCB revised the draft policy to indicate that costs are charged to the Accident Fund, as opposed to the industry level. This reflects that the risk of a reaction to the COVID-19 vaccination is not industry-specific. The new wording added is “Costs are charged to the Accident Fund.”

MOTION

2022/02/06 It was moved that,

That the Board of Directors approve the proposed change to Policy 05-02, Part II, Application 2, effective October 1, 2020.

CARRIED

8.3 **2021-2023 Policy Project Plan Update**

The first quarter update was received for information.

9. **Audit Committee**

The committee chair provided a report on the committee’s recent meeting.

9.1 **Enterprise Risk Management Update**

The enterprise risk management update was received for information.

9.2 **Financial Statements – 2021**

A key responsibility of the Board of Directors as outlined in the WCB’s Corporate Governance Policy is the review and approval of the annual audited financial statements. Through delegation to the Audit Committee, the Board of Directors fulfills its responsibility by both receiving representation that the Audit Committee has fulfilled its mandate and by reviewing the information provided. The Audit Committee fulfills its mandate by reviewing the appropriateness of accounting policies and practices, significant accruals and estimates, and variances between years, in addition to qualifications contained in letters of representation. Additionally, the committee oversees the claim benefit liability valuation and the organization’s internal control and risk management processes. The ultimate goal is to be able to assess the reliability of the financial information disclosed in the annual report.

The financial statements and accompanying notes, as recommended by the Audit Committee, reflect fairly and accurately the financial position of the corporation as at December 31, 2021 and, of necessity, include estimates and judgements based on careful consideration of information available at the time of preparation.

Board of Directors

MOTION

2022/02/07

It was moved that,

That the Board of Directors approve the corporation's financial statements and accompanying notes for the year ended December 31, 2021, and the Chair of the Board of Directors and the President and Chief Executive Officer be authorized to sign the Statement of Financial position on its behalf for delivery to the Minister of Labour and Immigration before May 31, 2022.

CARRIED

10. **Finance Committee**

The committee chair provided a report on the committee's recent meeting.

10.1 **Monthly Financial Reports**

The monthly financial reports were received for information.

11. **Human Resource and Governance Committee**

The committee chair provided a report on the committee's recent meeting.

11.1 **Corporate Governance Policy Manual Update**

The recommended changes to the Corporate Governance Policy Manual reflect all outstanding updates required since the last update in April 2021. These changes include updates to WCB's core values, as well as updates to the Board of Directors' competency matrix.

MOTION

2022/02/08

It was moved that,

The Board of Directors approve the revisions to the Corporate Governance Policy Manual.

CARRIED

12. **New Business**

12.1 **Board Education – WCB Funding Policy**

The WCB Funding Policy presentation was received for information.

There was no new business.

13. **Meeting Evaluation**

The members were asked to complete the meeting effectiveness self-assessment form.

Board of Directors

14. **In Camera**

The Board of Directors held an *in camera* session in two parts. During the first part, all of senior management were excused, with the exception of the President. During the second part, the President was also excused.

There being no further business, the meeting ended at 12:30 p.m.

THE WORKERS' COMPENSATION BOARD**MEETING OF THE BOARD OF DIRECTORS****MINUTES**

DATE: June 21, 2022

PLACE: Hybrid Meeting
Participants attend either in person or virtually
12th Floor WCB Board Room, 9925 - 107 Street, Edmonton
Microsoft Teams

TIME: 8:30 a.m. to 12:00 p.m.

BOARD MEMBERS

Erna Ference, Chair
Brian Frank, Member
Brian McConkey, Member
Shawna Miller, Member
Mary Phillips-Rickey, Member

Excused: Mike Boyle, Member

EXECUTIVE

Trevor Alexander, President & Chief Executive Officer **
Tarick Ahmad, Chief Technology Officer *
Ron Helmhold, Chief Financial Officer **
Wendy King, Senior Vice President, Operations & Innovation *
Marcela Matthew, Vice President, Millard Health & Special Care Services *
William P. Ostapek, Secretary and General Counsel *
Roxy Shulha-McKay, Vice President, Employee & Corporate Services **

ALSO PRESENT

Leslie Henkel, Board of Directors' Secretariat *
Pieter Lambooy, Director, Operations (item 7.3)

* excused for item 15

** excused for item 15 (part 2)

Board of Directors

The Chair called the meeting to order at 8:30 a.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Minutes of the Meeting of April 26, 2022**

MOTION
2022/03/09

It was moved that,

The Board of Directors approve the minutes of the meeting of April 26, 2022.

CARRIED

4. **Business Arising from the Minutes of April 26, 2022**

There was no business arising from the minutes of the April 26, 2022 meeting.

5. **2022 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

6. **Report of the Chair**

The Chair reported on:

- appointment of a new Board member – Ray Block,
- arrangements for a farewell gathering for Jane Sustrik,
- the Q2 Industry Task Force meeting which Brian McConkey attended,
- cancellation of the Q2 Labour Coalition meeting,
- the WCB AGM held virtually on June 9, 2022,
- attendance at the AWCBC Governance Summit, and
- the Stirling Lecture, which was presented by Jessie Lipscombe.

7.1 **Report of the President**

The President reported on the following:

- investment and financial results,
 - operations results and updates,
 - technology and innovation,
 - stakeholder engagement and legislative relations,
 - legislation and panel implementation, and
 - risk profile and emerging issues.
-

Board of Directors

7.2 WCB Technology Update

The Chief Technology Officer provided a technology update.

7.3 Red Tape Reduction at the WCB

The Director of Operations provided a presentation on red tape reduction at the WCB.

7.4 Strategy Map and Objectives Update

The second quarter 2022 Strategy Map and Objectives update was received for information.

COMMITTEE REPORTS

8. Policy Committee

The committee chair provided a report on the committee's recent meeting.

8.1 Policy 04-06, New Application 6 and Addendum A, Pharmaceutical Cannabinoids and Cannabis Authorized for Medical Use

Under the *Workers' Compensation Act (WCA)*, WCB has the authority to decide whether medical aid for an injured worker is necessary and appropriate (s.80 of the *WCA*). With that authority there is also a responsibility to ensure the treatment is the most appropriate based on current medical knowledge and will support the worker in a successful return to work.

Medical cannabis treatment in a workers' compensation setting is not new and, in the absence of policy specific to medical cannabis, WCB adjudicates coverage under the policy for experimental, non-standard treatment (Policy 04-06, Part II, Application 1, Question 11). However, the existing policy is not specific to cannabis and does not provide any direction regarding use, dose, etc.

There is now a body of research to provide guidance about possible benefits, cautions, and contraindications. WCB used this information to provide guidance and transparency for workers and doctors contemplating cannabis in the treatment of work-related medical conditions. The proposed policy will help workers and their treatment providers access coverage for pharmaceutical cannabinoids and cannabis for necessary medical treatment when appropriate and ensures transparency regarding coverage and expectations.

Board of Directors

In developing the cannabis policy draft, the goal has been to support access to necessary medical treatment within a framework of medical evidence, legislative obligations, and professional practice guidelines. WCB will periodically review the policy to consider advances in the body of scientific knowledge and will adjust as appropriate.

The policy includes general information and essential clinical requirements. WCB expectations regarding the clinical requirements will be supplemented with a physicians' guide to provide additional detail, making it easier for physicians to understand and manage. The policy includes a requirement for the worker to have a treatment agreement on file with WCB, ensuring clarity about expectations.

MOTION

2022/03/10

It was moved that,

The Board of Directors approve the draft policy application and addendum, effective September 1, 2022. The new provisions will apply to all requests for initial coverage or extensions of coverage of medical cannabis made on or after that date.

CARRIED

8.2 Policy 04-06, Application 4 and New Addendum B, Prescribed Opioid Analgesics (Narcotics)

WCB has had a long-standing opioid medical benefits policy that has worked well to balance access to medically necessary care with a focus on safe and timely return to work. However, as medical knowledge grows, and to ensure WCB's opioid policy reflects this updated knowledge, a policy review was included in the 2021-2023 Policy Project Plan. WCB has a responsibility to ensure treatment is safe, effective, and appropriate; supports the worker in recovery and a successful return to work; and is based on current medical knowledge.

Guided by current medical knowledge, WCB adjudicates coverage for medically necessary opioids differently based on whether they are prescribed during the acute and post-operative period, for palliative care, or during long-term opioid therapy. The proposed policy revisions add clarity and transparency regarding these different treatment modalities and expectations.

The revised policy also reinforces and updates references to the College of Physicians and Surgeons of Alberta's (CPSA) Standards of Practice for prescribing narcotics, as well as their advice to the profession. A draft addendum of medical references used throughout the revised policy has also been developed.

WCB will periodically review the policy to consider advances in the body of scientific knowledge.

Board of Directors

The changes relating to authorizing opioids for an initial two weeks and then considering an extension only when certain criteria are met are consistent with policies relating to opioid use in other jurisdictions in Canada. Most jurisdictions have moved to a shorter acute period model including New Brunswick, Prince Edward Island, Manitoba, Northwest Territories/Nunavut, British Columbia, and Yukon. Nova Scotia and Ontario currently still use a twelve-week model.

Policy Committee approved posting the draft revisions to Policy 04-06, Part II, Application 4, with an accompanying new draft addendum for a period of 90 days. The policy will apply to all new prescriptions for opioids on or after the effective date of the revised policy.

8.3 2021-2023 Policy Project Plan Update

The second quarter update on the 2021-2023 Policy Project Plan was received for information.

9. Audit Committee

The committee had nothing to report.

10. Finance Committee

The committee chair provided a report on the committee's recent meeting.

10.1 Monthly Financial Reports

The monthly financial reports were received for information.

11. Human Resource and Governance Committee

The committee had nothing to report.

12. New Business**12.1 2023 Board of Directors' Meeting Schedule**

Advance approval of the Board of Directors 2023 Meeting Schedule and recording that approval in the minutes constitutes formal notice of the meetings. The 2023 Meetings & Activities Schedule includes committee meetings and other activities and is for reference only.

Board of Directors

Section 7(1) of the *Workers' Compensation Act* mandates that no more than three months elapse between meetings, which has been taken into account in the 2023 Meeting Schedule.

Board of Directors meetings generally begin at 8:30 a.m. on Tuesday; however, the September board meeting, committee meetings and annual board retreat on September 18 and 19 will have meeting times assigned when the retreat agenda is developed. The end times and duration of meetings listed in the Meetings & Activities Schedule are estimates and may be changed based on agenda length or material to be covered.

MOTION
2022/03/11

It was moved that,

The Board of Directors approve the 2023 Meeting Schedule.

CARRIED

13. **Board of Directors' Roundtable**

The following items were discussed:

- the recent hiring of a WCB Inclusion and Diversity Coordinator and the importance of this function within the WCB, and
- current market performance.

14. **Meeting Evaluation**

The members were asked to complete the meeting effectiveness self-assessment form.

15. **In Camera**

The Board of Directors held an *in camera* session in two parts. During the first part, all of senior management were excused, with the exception of the President. The Vice President, Employee and Corporate Services, and Chief Financial Officer were also present for a portion of the first part. During the second part, the President was also excused.

There being no further business, the meeting ended at 12:00 p.m.

THE WORKERS' COMPENSATION BOARD**SPECIAL MEETING OF THE
BOARD OF DIRECTORS****MINUTES**

DATE:	July 14, 2022
PLACE:	Microsoft Teams
TIME:	10:00 a.m. to 10:30 a.m.

BOARD MEMBERS

Erna Ference, Chair
Raymond Block, Member
Brian Frank, Member
Brian McConkey, Member
Shawna Miller, Member

Excused:

Mike Boyle, Member
Mary Phillips-Rickey, Member

EXECUTIVE

Roxy Shulha-McKay, Vice President, Employee & Corporate Services *

* excused for item 4

Board of Directors

The Chair called the meeting to order at 10:00 a.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Human Resource and Governance Committee**

The committee chair provided a report on the committee's recent meeting.

3.1 **2022 President and CEO Compensation Review**

The Human Resource and Governance Committee is responsible to recommend to the Board of Directors base salary increases for the President.

With the enactment of the *Reform of Agencies, Boards and Commissions Compensation Act* (RABCCA) and subsequent regulations that came into effect March 16, 2017, a new peer group and salary band was established for the President. Further to this, as of April 1, 2017, the Government of Alberta put into place salary restraint regulations that included all agencies, boards and commissions, and therefore the President of the WCB. That restraint was in place when the current President was hired March 18, 2019, along with the constraint imposed on the Board of Directors that its authority to approve base salary for the President stopped at the midpoint.

As of July 1, 2022, this restraint was replaced by an interim order allowing modest increases to base pay retroactive to April 1, 2022. Constraints with this order include that any individual increase not exceed 5% and the total of all increases must be within 3% of the total base compensation budget of an organization. Positive news included that the order allows the Board of Directors to approve movement beyond the midpoint without obtaining further exemptions or approval from the Minister or Treasury Board & Finance and that increases beyond 5% can occur in situations of promotion, compression and **inversion**. Inversion has been an issue with the CEO base salary since his hiring.

On management's request, Hexarem, Inc., the independent external executive compensation expert, completed a market update of the appropriateness of any base salary increase for the President. The research conducted by Hexarem shows the impact of various increases with respect to the continued issue of inversion. The * option provided fixes the inversion problem and remains within the maximum of the range (\$396,720).

Board of Directors

MOTION
2022/04/12

It was moved that,

The Board of Directors approves an increase of * to
the base salary of the President and CEO to
* effective April 1, 2022.

CARRIED

*[personal information withheld]

4. **In Camera**

The Board of Directors held an *in camera* session.

There being no further business, the meeting ended at 10:30 a.m.

THE WORKERS' COMPENSATION BOARD
MEETING OF THE BOARD OF DIRECTORS
MINUTES

DATE: September 20, 2022

PLACE: NAIT Productivity & Innovation Centre (PIC)
Room 315, 10210 Princess Elizabeth Avenue NW
Edmonton, Alberta

TIME: 12:30 p.m. to 4:15 p.m.

BOARD MEMBERS

Erna Ference, Chair
Ray Block, Member
Mike Boyle, Member
Brian Frank, Member
Brian McConkey, Member
Shawna Miller, Member
Mary Phillips-Rickey, Member

EXECUTIVE

Trevor Alexander, President & Chief Executive Officer **
Tarick Ahmad, Chief Technology Officer *
Ron Helmhold, Chief Financial Officer *
Wendy King, Senior Vice President, Operations & Innovation *
Marcela Matthew, Vice President, Millard Health & Special Care Services *
William P. Ostapek, Secretary and General Counsel *
Roxy Shulha-McKay, Vice President, Employee & Corporate Services *

ALSO PRESENT

Leslie Henkel, Board of Directors' Secretariat *

* excused for item 15

** excused for item 15 (part 2)

Board of Directors

The Chair called the meeting to order at 12:30 p.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3.1 **Minutes of the Meeting of June 21, 2022**

MOTION

2022/05/13 It was moved that,

The Board of Directors approve the minutes of the meeting of June 21, 2022.

CARRIED

3.2 **Minutes of the Meeting of July 14, 2022**

MOTION

2022/05/14 It was moved that,

The Board of Directors approve the minutes of the meeting of July 14, 2022.

CARRIED

4. **Business Arising from the Minutes of June 21, 2022 and July 14, 2022**

There was no business arising from the minutes of the June 21, 2022 and July 14, 2022 meetings.

5. **2022 and 2023 Meetings and Activities Schedules**

The meetings and activities schedules for 2022 and 2023 were received for information.

6. **Report of the Chair**

The Chair reported on:

- the Industry Task Force meeting of September 7, 2022, attended by Brian McConkey;
- a letter received from the Canadian Federation of Independent Business regarding rate setting for the coming year;
- the Labour Coalition meeting of September 14, 2022, which was cancelled;
- the farewell luncheon for former board member Jane Sustrik held on August 11, 2022; and
- educational funding for members of the board for the 2022 year.

Board of Directors

7.1 Report of the President

The President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- stakeholder engagement and legislative relations,
- Secretary and General Counsel update, and
- risk profile.

7.2 Strategy Map and Objectives Update

The strategy map and objectives update was received for information.

7.3 Monthly Financial Report

The monthly financial report was received for information.

COMMITTEE REPORTS**8. Policy Committee**

There being no Policy Committee meeting in September, the committee had nothing to report.

9. Audit Committee

The committee chair provided a report on matters dealt with at the committee's recent meeting, which included the preliminary assessment of the Risk of Fraud and Error in the 2022 audited Financial Statements.

10. Finance Committee

The committee chair provided a report on matters dealt with at the committee's recent meeting, which included:

- 2nd quarter 2022 Investment Performance & Monitoring Report,
- investment portfolio update,
- semi-annual investment consultant presentation by Aon,
- semi-annual AIMCO investment performance presentation, and
- investment policy review update.

Board of Directors

11. Human Resource and Governance Committee

The committee chair provided a report on matters dealt with at the committee's recent meeting, which included the succession planning report.

12. New Business

There was no new business.

13. Board of Directors' Roundtable

The board discussed a variety of issues and topics that arose from the meeting and preceding retreat.

14. Meeting Evaluation

The members were asked to complete the meeting effectiveness self-assessment form.

15. In Camera

The Board of Directors held an *in camera* session in two parts. During the first part, all of senior management were excused, with the exception of the President. During the second part, the President was also excused.

There being no further business, the meeting ended at 4:15 p.m.

**THE WORKERS' COMPENSATION BOARD
MEETING OF THE BOARD OF DIRECTORS**

MINUTES

DATE: November 29, 2022

TIME: 8:30 a.m. to 12:15 p.m.

PLACE: 12th Floor WCB Board Room, 9925 - 107 Street, Edmonton, Alberta

BOARD MEMBERS

Erna Ference, Chair
Ray Block, Member
Mike Boyle, Member
Brian Frank, Member
Brian McConkey, Member
Shawna Miller, Member
Mary Phillips-Rickey, Member

EXECUTIVE

Trevor Alexander, President & Chief Executive Officer **
Tarick Ahmad, Chief Technology Officer *
Ron Helmhold, Chief Financial Officer *
Wendy King, Senior Vice President, Operations & Innovation *
Marcela Matthew, Vice President, Millard Health & Special Care Services *
William P. Ostapek, Secretary and General Counsel *
Roxy Shulha-McKay, Vice President, Employee & Corporate Services *

ALSO PRESENT

Leslie Henkel, Board of Directors' Secretariat *
Laurent Charron, Corporate Controller, Financial Management (items 9 and 10)
Nadia Mursky, Senior Manager, Financial Management (items 9 and 10)
Bill Xu, Chief Actuary, Actuarial Services (items 9 and 10)

* excused for item 15

** excused for item 15 (part 2)

Board of Directors

The Chair called the meeting to order at 8:30 a.m.

1. **Agenda**

The agenda as distributed was approved.

2. **Proposed Motions**

The list of proposed motions was received for information.

3. **Minutes of the Meeting of September 20, 2022**

MOTION

2022/06/15

It was moved that,

The Board of Directors approve the minutes of the meeting of September 20, 2022.

CARRIED

4. **Business Arising from the Minutes of September 20, 2022**

There was no business arising from the minutes of the September 20, 2022 meeting.

5. **2023 Meetings and Activities Schedule**

The meetings and activities schedule was received for information.

6. **Report of the Chair**

The Chair reported on:

- the meeting she and the President attended with the Minister,
- recent Association of Workers' Compensation Boards of Canada meetings,
- a recent Institute of Corporate Directors session on the future of work,
- upcoming meetings with the Industry Task Force and Labour Coalition.

7.1 **Report of the President**

The President reported on the following:

- investment and financial results,
- operations results and updates,
- technology and innovation,
- stakeholder engagement and legislative relations,
- legislation and panel implementation, and
- risk profile and emerging issues.

Board of Directors

7.2 Strategy Map and Objectives Update

The strategy map and objectives update was received for information.

COMMITTEE REPORTS**8. Policy Committee**

The committee chair provided a report on the committee's recent meeting.

8.1 Prescribed Opioid Analgesics (Narcotics) – Policy 04-06, Part II, Application 4 and new Addendum B

WCB has had a long-standing opioid medical benefits policy that has worked well to balance access to medically necessary care with a focus on safe and timely return to work. However, as medical knowledge grows, and to ensure WCB's opioid policy reflects this updated knowledge, a policy review was included in the 2021-2023 Policy Project Plan.

Guided by current medical knowledge, WCB adjudicates coverage for medically necessary opioids differently based on whether they are prescribed during the acute and post-operative period, for palliative care, or during long-term opioid therapy. The proposed policy revisions add clarity and transparency regarding these different treatment modalities and expectations.

The revised policy also updates references to the College of Physicians and Surgeons of Alberta's (CPSA) Standards of Practice for prescribing narcotics as well as their advice to the profession reinforcing that the policy is based on current medical knowledge. A draft addendum of medical references used throughout the revised policy has also been developed.

MOTION
2022/06/16

It was moved that,

The Board of Directors approve the proposed revisions to Policy 04-06, Part II, Application 4 and the accompanying new Addendum B, with an effective date of January 1, 2023. This policy will apply to all new prescriptions for opioids (including renewals) made on or after the effective date.

CARRIED

Board of Directors

8.2 Policy 04-02, Part II, Addendum A, Allowance Rates

In accordance with Board Resolution 94/02/09 (inconsequential amendments) and Board Resolution 2003/03/10 (travel, subsistence, and wage allowances), Strategic Management Council approved changes to the travel (mileage) and meal allowance rates in Policy 04-02, Part II, Addendum A, *Allowance Rates*, with an effective date of January 1, 2023.

WCB reviews the allowance rates for travel, subsistence (meals), and accommodation annually.

Travel: An increase of three cents was approved for the travel allowance, increasing it to 54 cents per kilometre.

Meal Allowances: An increase of \$2.00 was approved, increasing the total meal allowance from \$49.00 per day to \$51.00 per day.

Accommodation: No change was recommended.

8.3 Working Remotely – Policy 02-01, Part II, Applications 1, 2 and 3 (Arises Out of and Occurs in the Course of Employment)

The Policy Committee approved posting of proposed revisions to Policy 02-01, Part II, Applications 1, 2 and 3 (Arises Out of and Occurs in the Course of Employment) for online consultation for a period of 90 days that add additional detail regarding remote work. The COVID-19 pandemic has changed patterns of work. More people are working from home and employers are re-examining physical location as a requirement for employment. Without changing the foundational concepts related to compensability, policies are being reviewed to ensure they provide enough guidance to adjudicate the changing nature of claims. The next step in the review of this policy is to gather stakeholder feedback via the 90 day online consultation.

8.4 2021-2023 Policy Project Plan Update

The Policy Project Plan update was received for information.

9. Audit Committee

The committee chair provided a report on the committee's recent meeting.

10. Finance Committee

The committee chair provided a report on the committee's recent meeting.

10.1 Monthly Financial Reports

The monthly financial reports were received for information.

10.2 **Annual Worker Benefit Update – 2023 Calculations**

The *Workers' Compensation Act* gives the Board of Directors the authority to set the maximum a worker's wages can be insured and the ability to index long term benefits to inflation. To exercise this authority the Board of Directors has described the approach through the principles of workers' compensation and Policy 04-01. The actual annual process of calculating any changes to benefits based on this guidance has been delegated to management, and the resulting amounts are ratified via a Board Order.

Cost of Living:

Section 59 of the *Workers' Compensation Act* gives the Board of Directors the authority to adjust long-term benefits yearly as a result of a series of legislative changes that came into effect on January 1, 2021. According to Policy 04-01, Part II, Application 4, annual cost-of-living adjustments (COLA) are based on 100% of the change in the average Alberta Consumer Price Index (ACPI) for the 12 months ending September 30 of the year immediately before the adjustment, less 0.5%. The policy states COLA adjustments are applied on the first day of January of each year.

The percentage change in the average ACPI for the 12 months ending September 30, 2022, totalled 5.98%. COLA has been calculated as 5.48% (5.98% less 0.5%). As a result, it is recommended that COLA for 2023 be set at 5.48%.

Maximum Compensable Earnings (MCE):

Under the authority of section 56(18) of the *WCA*, the Board of Directors set the value of MCE. The BOD has shared the principle to setting MCE in their published principles. The principle guiding MCE was consulted upon and finalized in 2021. The principle states:

The Board of Directors sets maximum compensable earnings annually to achieve coverage for the full wages of at least 90 per cent of workers in the province. The annual amount will change when the percentage of workers covered drops below 90 per cent.

The annual adjustment calculation is based on wage inflation data provided by Statistics Canada, refined to reflect the industries covered by the workers' compensation system. The calculation pushes the coverage of workers' wages in the province slightly upward to 91% and results in the 2023 MCE being set at \$102,100.

MOTION

2022/06/17

It was moved that,

The Board of Directors:

Board of Directors

- approve the cost of living increase applied to long term benefits be set at 5.48% pursuant to section 59 of the *Workers' Compensation Act*; and
- order that for 2023, maximum compensable earnings be set at \$102,100 (an increase of 3.4% from the 2022 maximum compensation) and approve the Board Order for maximum compensable earnings pursuant to section 56(18) of the *Workers' Compensation Act*.

CARRIED

10.3 2023 Financial Plan and Operating Budget

WCB's 2023 integrated budget planning framework is a comprehensive process that commenced in early 2022 with the development of key economic assumptions and estimates for 2022 and 2023. As the year progressed, management reviewed corporate and economic performance against these initial assumptions and updated the financial drivers and projections. At the September 2022 Board of Directors' retreat and meeting, WCB's strategic priorities and 2023 premium rate setting strategies were reviewed, which provided additional guidance that informed the development of the 2023 financial plan and operating budget.

The 2023 operating budget represents a financial plan that has been carefully developed to ensure that WCB continues to fulfill its mandate to Albertans in an effective and cost-efficient manner. The financial plan and 2023 budgeted premium rate charged to employers strikes a careful balance between ensuring the financial sustainability of the workers' compensation system and the additional challenges employers are facing because of a high, prolonged inflationary environment and rising borrowing costs.

MOTION

2022/06/18

It was moved that,

The Board of Directors approve the 2023 Financial Plan and Operating Budget.

CARRIED

10.4 Funding Policy: Policy 01-01, Part I and Part II

Finance Committee approved the posting of a draft revised funding policy for public consultation at its January 31, 2022 meeting. The funding policy review and consultation included an extensive review of the reasonableness of the target funding range. Independent expert consultants from Eckler and Lifeworks were engaged to assist in the review, which focused on three main areas:

Board of Directors

1. *Review of the target funding range including detailed stochastic modelling of funding probabilities associated with alternative funding ranges.*

The extensive analysis conducted by both Eckler and Lifeworks has concluded that the current funding range remains appropriate in terms of balancing all the financial risks within the workers compensation system. Both firms recommended leaving the target range at 114-128% and suggested that WCB conduct further comprehensive reviews within the next several years. A full review of stakeholder consultation responses was reviewed in the deliberation of this aspect of the funding policy and duly considered in the recommendation to maintain the existing funding range with no changes.

2. *Review of the funding policy features related to mechanisms for calculating surplus distributions, scope of eligible organizations, and minimum thresholds.*

WCB conducted an extensive review of the various features of the funding policy related to surplus distribution triggers and the minimum threshold for distributions. The aspects of this review included a review of WCB peer organizations. It was noted that reverting the funding policy language back to pre-2019 text supports the government's Red Tape Reduction initiatives, adds clarity and simplicity to the funding policy, and is strongly supported by stakeholder consultation.

3. *Review of all aspects of the funding policy from a grammatical and clarity of intent perspective with specific focus on addressing the implications arising from the adoption of new International Financial Reporting Standards effective January 1, 2023.*

WCB conducted an extensive review of all aspects of the funding policy from a grammatical and clarity of intent perspective. As a result of this review, several inconsequential amendments were identified related to providing clarity on the calculation of the actuarial required rate of return which is a key component of system funding. These additions will become important with the adoption of the new International Financial Reporting Standards effective January 1, 2023. Stakeholder consultation identified no concerns with the policy language changes proposed.

MOTION
2022/06/19

It was moved that,

The Board of Directors approve the draft Policy 01-01,
Part I and Part II.

CARRIED

11. **Human Resource and Governance Committee**

The committee chair provided a report on the committee's recent meeting.

Board of Directors

11.1 **2023 Strategy Map and Objectives**

WCB heads into 2023 with a clear motivation to continue its journey, knowing that there is clear alignment between the Board of Directors, management, and stakeholders that the strategic priorities are the right ones. WCB is well positioned to continue to make strides under each strategic pillar, as it has made deliberate investments in innovation, technology, and staffing to make WCB more efficient and effective.

Because the CEO is ultimately responsible for the objectives in the strategy map, the CEO objectives and strategy map objectives are synonymous. Therefore, approval of the 2023 strategy map and objectives will also serve as approval of the CEO's 2023 objectives.

MOTION
2022/06/20

It was moved that,

The Board of Directors approve the 2023 Strategy Map and Objectives

CARRIED

12. **New Business**

12.1 **2023 Board of Directors' Annual Planning Cycle**

The 2023 Board of Directors' annual planning cycle was received for information.

13. **Board of Directors' Roundtable**

Board members reviewed and discussed recent events and provided feedback to management regarding the meeting and presentations.

14. **Meeting Evaluation**

The members were asked to complete the meeting effectiveness self-assessment form.

15. **In Camera**

The Board of Directors held an *in camera* session in two parts. During the first part, all of senior management were excused, with the exception of the President. During the second part, the President was also excused.

There being no further business, the meeting ended at 12:15 p.m.