



PRIVATIZATION IN WORKERS' COMPENSATION

WCB locals are facing privatization threats from many directions. Workers' compensation already has more contact with private corporations than most public services. Treatments for workers under compensation claims aren't covered under the Canada Health Act. This creates a revenue opportunity for private health providers. As a result, many of the health services provided by workers' compensation are done through private-for-profit delivery.

The employer boards belong to international associations of workers' compensation agencies that work in a privatized setting in the United States. The employers are also exposed to pressure to use technology to change delivery of services and work organization.

The result has been the privatization of most vocational rehabilitation and the growing incursion of consulting firms that want to change delivery practices in a way that paves the road to more privatization.

BCE Emergis: the tip of a large iceberg

- Five-year contract with Ontario Workplace Safety and Insurance Board to process 30% of WSIB claims volume
- Contract with Workers Compensation Board of BC to provide a solution for Health Care Benefits Management

BCE made it clear in a September 2004 corporate strategy presentation that e-health with a concentration on workers compensation is one of its two major branches of activity. Other less profitable initiatives have been sold off and BCE is looking to electronic health records and workers' compensation as its major growth potential in e-health.

They are explicitly looking to increase their business with the WSIB in Ontario and to lever their claims platform to other workers compensation board in Canada and the United States.

At the same time they have been working with partners in the public and private sectors on electronic health records. In February 2004, the Canadian Institute for Health Information (CIHI) and Canada Health Infoway (Infoway) announced that the National e-Claims Standard (NeCST) was one of the first projects in the world to receive official recognition under the most recent and advanced version three of Health Level Seven (HL7 v3), messaging standard.

Working in conjunction with chiropractic and physiotherapy health care providers, BCE Emergis is the initial implementer of a sub-set of NeCST messages for chiropractic and physiotherapy claims for the Workplace Safety and Insurance Board of Ontario. This represents the first HL7 v3 implementation in Canada.

Further threats of privatization will be a significant issue for workers' compensation boards in Canada as technology allows for more automation of decision making and the privatization of government services through outsourcing and the introduction of business processes into government. This has been explicitly identified as a major growth area for BCE Emergis. Other consulting firms use the same strategy to expand their business to public services. Look for example to Accenture's record in Ontario in welfare delivery. Auditors reports showed year after year that this kind of privatization is a bad deal for the public.

In many respects, I consider the Ministry's involvement with Accenture to have been a very expensive lesson in how not to implement a new IT-based service-delivery system. Making the system work properly may well take more time and will certainly take many more taxpayers' dollars. The way in which the Ministry applied the common purpose procurement process to acquire the consulting services in this case meant that the taxpayer took virtually all the financial and performance risks and the consultant reaped a disproportionately large share of the financial rewards.

Office of the Provincial Auditor General, 2002 Annual Report

The relationship between these corporations is also evident from the BCE Emergis web site:

Accenture is a channel support partner, working with BCE Emergis to offer implementation and integration services supporting Emergis e-Invoicing and Emergis e-Premiums in North America. Accenture is also assisting with development of Emergis Web Claims Exchange for the Canadian market. Accenture specializes in the financial services industry .

http://www.emergis.com/en/partners_clients/partners/index.asp

Privatization will also have a significant impact on service delivery. Contrary to claims that automation allows more focus on the front-line delivery, experience tells a different story in other public services where technology has led to the re-design of work processes. There are countless stories on the negative impact on services through the changes to Ontario Works.

Privatization is a present threat in workers' compensation. Compensation union locals can play a key role in fighting for public services and re-building strong communities by working together to identify and expose the danger to the rest of the labour movement and to community partners.

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