

October 11, 2017

Honourable Kevin Flynn, Minister of Labour
Ministry of Labour
14th Floor, 400 University Avenue
Toronto, ON M7A 1T7

Dear Minister Flynn:

RE: WSIB Rate Framework Reform – NOSDA Submission

In 2015 the Northern Ontario Service Deliverers Association (NOSDA) submitted its position to WSIB regarding the rate framework reform, and NOSDA is again voicing its concerns and appealing to the WSIB for consideration in determining the premium rate structure for the ten Northern District Social Services Administration Boards (DSSABs) as well as one Consolidated Municipal Service Manager that it represents.

DSSABs and the CMSM are mandated by provincial Ministries to deliver community social services on behalf of municipalities in Northern Ontario, and in some cases, have the same service responsibilities as single tier municipalities and regional governments to deliver land ambulance services.

For the DSSABs/CMSM providing emergency medical services, the insurable earnings of Paramedics can represent the largest share of total annual wage expenditures.

Premiums for rate group 590 (Ambulance Services) have incrementally increased:

2010	\$5.85
2011	\$6.18 (amended to reflect the Safe Workplace Association realignment)
2012	\$6.30
2013	\$6.46
2014	\$6.46
2015	\$6.46
2016	\$6.46 (coverage expansion of presumptive legislation, foreshadowing future impact)
2017	\$6.76 (rate increase, reflective of presumptive PTSD legislation)

While the WSIB reported in its 2017 Premium Rates Manual the approval of a 'modest' rate increase for Rate Group 590, the NOSDA group considers this rate escalation to be significant – with looming financial implications.

Given the rise from 2010 until present it is presumable that the ambulance service category will experience additional future rate adjustments as mental health claims will

continue to increase as a result of expanded legislation. Furthermore, this particular business activity is vulnerable to high claims directly relating to musculoskeletal injuries (MSI) as Paramedics provide direct patient care, with patient handling further compounded by an aging workforce and the patients' increasing size.

NOSDA is requesting that WSIB limit the liability to the DSSABs/CMSM delivering land ambulance services by approving two separate business activities and multiple premiums rates, distinguishing its social services delivery from ambulance service activities, in order to assist with the immediate and upcoming financial impacts on municipalities served.

WSIB Policy14-01-01The Classification Structure clearly describes the rate framework's classification arrangement and the classification of an employer's business activities. NOSDA is seeking that the WSIB grant approval to the DSSABs/CMSM, employers which NOSDA considers to have multiple NAICS codes, for multiple premium rates rather than setting a single premium rate based on the "predominant" class of ambulance services (for those delivering emergency medical services). This request is further supported by the maintenance of segregated wage records and payrolls for this particular business activity.

The delivery of ambulance services should be assessed separately, according to NOSDA, as this represents a significant business activity and is not integrated with the provision of Ontario Works, Children's Services and Social Housing programs, in accordance with the WSIB's proposed new policy on Eligibility for Single and Multiple Premium Rates.

As NOSDA addressed in 2015, applying a predominant rate to all classes will considerably raise the cost of current premiums for Northern DSSABs/CMSM, which are already constrained with respect to their ability to pay.

Emergency medical services expenditures are rising faster than the rate of inflation or the cost of delivering other services to municipalities. There are also genuine funding challenges with respect to affording the rising cost of services specifically designed to support first responders. Occupational health and safety legislation sets out clear requirements for creating physically safe work environments and promoting the importance of a psychologically healthy culture by integrating awareness and prevention measures into business strategies and processes. Staying current and responding to emerging health and safety issues comes at a cost.

Ambulance service classification rates are significantly higher than the other rate groups of the DSSABs/CMSM. Containing a portion of these costs by separating premiums for ambulance services would be one way for the WSIB to assist with managing premium charges.

The WSIB's new prospective approach to rate-setting, which continues to rely on claims experience to calculate individual employers' premium rates, implies that Northern municipal taxpayers will absorb a probable future rise in costs in order to continue to fund the embedded claims experience of the ambulance service group, which is also marked by the risk band movement limits imposed by the risk band in which ambulance services belongs. In surmising, what future costs ambulance services may hold, NOSDA worries that the DSSABs/CMSM may be required to establish discretionary reserves of uncommitted balances to subsidize projected WSIB expenditures that are outside of their ability to control.

NOSDSA's request for WSIB to commit to a separate rate premium for the DSSABs/CMSM which are responsible for delivering ambulance services is not undue, considering that single tier municipalities delivering equivalent services would likely experience a decrease in premiums by having a lower rate applied to their overall business activities, as it is unlikely that ambulance service delivery would represent the largest share of their insurable earnings.

Other social services activities of the DSSABs/CMSM should not be overshadowed by the risk and claims costs associated with the provision of emergency medical services. Unlike the deliverers of ambulance services elsewhere in the province, the Northern DSSABs/CMSM will be burdened by having a single rate assigned if WSIB determines ambulance services as the 'predominant' class, profoundly affecting our Northern municipalities by placing undue hardship to local taxpayers in conceivably doubling premiums paid to the WSIB.

NOSDA is appealing to the WSIB on behalf of its members:
Algoma District Social Services Administration Board
City of Greater Sudbury
Cochrane District Social Services Administration Board
District of Nipissing Social Services Administration Board
District of Parry Sound Social Services Administration Board
District of Sault Ste. Marie Social Services Administration Board
District of Timiskaming Social Services Administration Board
District of Thunder Bay Social Services Administration Board
Kenora District Services Board
Manitoulin Sudbury District Services Board
Rainy River District Social Services Administration Board

Sincerely,



Iain Angus, Chair

c.c. Elizabeth Witmer, Workplace and Safety Insurance Board Chair