



COVID-19 cost relief Q&A

The widespread impact of COVID-19 and the resulting business disruption have caused unprecedented challenges for employers. Alberta employers have asked WCB for cost relief to reduce the direct financial impact of COVID-19 claims and extended periods of disability for other claims due to treatment delays.

In response to feedback from stakeholders, WCB-Alberta is implementing cost relief measures that will offer the most extensive COVID cost relief in the country and **will relieve approximately \$10 million in claim costs** from employers' experience.

1. Why is WCB-Alberta considering cost relief for employers?

Employers across the country have asked their respective workers' compensation boards for cost relief to reduce the financial impact of the pandemic. Specifically, Alberta employers have asked WCB for cost relief to reduce the direct financial impact of COVID-19 claims and the extended periods of disability for other claims due to treatment delays and/or the inability to offer modified work during the provincial shutdown (March 16 – June 12). WCB has determined five conditions related to COVID-19 meet the criteria for cost relief.

2. What is cost relief?

Cost relief is the practice of moving individual employer costs to the industry rate group level for claim costs related to pre-existing conditions or costs that are extraordinarily outside of an employer's control.

3. Will worker benefits change?

No. Workers will continue to receive all the benefits they are entitled to. Cost relief only adjusts the costs on the employer's experience record—it has no impact on the actual benefits that are paid to injured workers.

4. Who will be impacted by these measures? What types of claims will have costs relieved?

WCB will remove costs automatically through five applications of cost relief, including an administrative change that will positively affect employers' experience rating.

1. Cost relief for COVID-19 claims.
2. Cost relief for claims where modified work was no longer available for no-time-loss claims due to the provincial shutdown.

3. Cost relief for claims where the worker became fit for work during the shutdown and the employer could not offer modified work because of the shutdown (modified work must have been offered within two weeks of the provincial re-opening).
4. Cost relief for delays in hospital admission and surgeries due to the pandemic.
5. Recording claims as no-time-loss when modified work is no longer available. Although there are no actual costs to relieve, the status of the claim on the experience record will be changed, which can impact premiums.

Many claims did not experience delays related to the pandemic and will not qualify for cost relief.

5. Why aren't other treatment delays included (e.g., for physiotherapy and other similar treatments)?

WCB's review found that there were not substantial delays with treatment. Providers pivoted quickly (in approximately three weeks) during the shutdown to switch from in-person to virtual assessments and treatment. Although any delay can be costly, these delays do not meet the conditions for cost relief.

6. How does WCB-Alberta's approach compare to what other provinces are doing?

Each province has its own approach to cost relief in their rate-setting models. Most Canadian jurisdictions that are offering cost relief have focused primarily on COVID-19 claims.

7. Why isn't WCB consulting on these changes?

Employers provided feedback early in the pandemic regarding the challenges they were seeing. A key part of that feedback was that they preferred WCB work within existing policy so that we could implement changes quickly. The COVID-related cost relief can be applied with only one non-substantive change to policy that expands state of emergency criteria.

8. When will these costs be relieved?

The work to relieve these costs from employers' experience records will begin in the third quarter of 2020. WCB is working on the necessary system changes to implement the cost relief automatically by the end of the year.

9. When will premiums be impacted?

The earliest the cost relief would impact experience rating is 2022; however, employers in the Partnerships in Injury Reduction program would be impacted in 2021. WCB is planning to have all the work completed in 2020 so that these employers will not be impacted.